

CITY OF WARRENTON, OREGON
FINANCIAL STATEMENTS AND SUPPLEMENTAL
INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023
WITH
INDEPENDENT AUDITOR'S REPORT

CITY OF WARRENTON, OREGON

Financial Statements and Supplemental Information

For the Year Ended June 30, 2023

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INTRODUCTORY SECTION



CITY OF WARRENTON, OREGON

List of Elected and Appointed Officials

June 30, 2023

ELECTED OFFICIALS - CITY COMMISSION

Mayor	Henry Balensifer III
Position No. 1	Gerald Poe
Position No. 2	Mark Baldwin
Position No. 3	Tom M. Dyer
Position No. 4	Paul Mitchell

Mailing Address

PO Box 250
Warrenton, Oregon 97146

APPOINTED OFFICIALS

City Manager	Esther Moberg
City Recorder	Dawne Shaw
City Attorney	Beery, Elsner & Hammond

Mailing Address

PO Box 250
Warrenton, Oregon 97146



FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Commission
City of Warrenton, Oregon

1976 Garden Ave.
Eugene, OR 97403
541.342.5161
www.islercpa.com

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Warrenton, ("City") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund, the State Tax Street Fund, and the Grant fund the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of the Proportionate Share of the Net Pension Liability, the Schedule of Pension Contributions, the Notes to Required Supplementary Information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules, and schedules of resources and requirements, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and the schedules of resources and requirements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The introductory section is presented for purposes of additional analysis and are not a required part of the basic financial statements.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Other Legal and Regulatory Requirements

In accordance with the Minimum Standards of Audits of Oregon Municipal Corporations, we have issued our report dated December 15, 2023 on our consideration of the City of Warrenton's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Isler CPA

By:

A handwritten signature in black ink that reads "Paul R. Nielson". The signature is written in a cursive style with a large, prominent "P" and "N".

Paul R Nielson, CPA, a member of the firm

Eugene, Oregon

December 15, 2023



Management's Discussion and Analysis

As management of the City of Warrenton, Oregon, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our annual financial report.

Financial Highlights

The City's total assets and deferred outflows at June 30, 2023 were \$80,292,015.

The City's total liabilities and deferred inflows at June 30, 2023 were \$18,194,254.

The net position of the City at June 30, 2023 was \$62,097,761. Of this amount, \$18,983,545 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.

At June 30, 2023, the City's governmental funds reported combined ending fund balances of \$11,582,500.

At the end of the fiscal year, the City's total combined governmental funds had a restricted fund balance of \$8,562,653, a committed fund balance of \$154,364, an assigned fund balance of \$672,336, and an unassigned fund balance of \$2,191,794.

The General Fund's unassigned fund balance is \$2,191,794 at the end of the current fiscal year, or 42.6% of General Fund expenditures and transfers out.

Overview of Financial Statements

This discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the City's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave). Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The governmental activities of the City include the following:

- General government
- Fire and emergency medical services
- Police
- Planning and development
- Library and culture
- Public works
- Interest on long term liabilities

The business-type activities of the City include the following:

- Water utilities
- Sewer utilities
- Sanitation utilities
- Marinas

The government-wide financial statements can be found in the basic financial statements as listed in the table of contents.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Warrenton maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, State Street Tax Fund, and Grant Fund, which are considered to be major funds. Data from the remaining governmental funds (nonmajor governmental funds) are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Warrenton adopts an annual appropriated budget for all governmental funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with the budget. To demonstrate compliance, budgetary comparison statements for all of the governmental funds have been prepared and can be found in the basic financial statements and supplemental information as listed in the table of contents.

The basic governmental fund financial statements and respective reconciliation can also be found in the basic financial statements as listed in the table of contents.

Proprietary funds. Proprietary funds are used to account for activities where the emphasis is placed on net income determination. The City of Warrenton maintains two types of proprietary funds: enterprise and internal service funds. The City uses enterprise funds to account for its water, sewer and sanitation utilities, and marinas. The City uses an internal service fund to account for engineering services provided to other departments/funds within the City. The internal service fund activity is included with the business-type activities on the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Sewer, and Sanitation utilities, all of which are considered to be major funds of the City of Warrenton. The Marina funds are considered to be nonmajor funds.

The City also adopts an annual appropriated budget for all proprietary funds. To demonstrate compliance with the budget, budgetary comparison statements have been provided for the enterprise funds as supplemental information, as listed in the table of contents. The proprietary fund financial statements can also be found in the basic financial statements as listed in the table of contents.

Notes to the basic financial statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found in the basic financial statements as listed in the table of contents.

Required Supplementary Information. Information regarding the City's share of the net pension liability and pension contributions can be found in the required supplementary information as listed in the table of contents.

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$62,097,761 at the close of the most recent fiscal year.

By far, the largest portion of the City's net position, 54.0%, reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, 15.1%, represents resources that are subject to external restrictions on how they may be used. The remaining portion represents 30.6% of total net position, and may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole and for its separate business-type activities. The governmental activities category, unrestricted net position, is reported as negative \$955,533. The negative balance in unrestricted net position is a result of the City issuing general obligation bonded debt for the Wastewater Treatment Facility (an asset in the Sewer Enterprise). The debt reduces unrestricted net position in the governmental activities column by \$1,820,502 while the related capital asset increases net investment in capital assets for business-type activities. In essence, the general government has taken on debt for the Sewer Utility.

City of Warrenton's Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 15,273,136	\$ 14,498,513	\$23,883,900	\$21,157,489	\$39,157,036	\$35,656,002
Capital assets, net	14,001,280	12,321,633	25,175,804	25,067,716	39,177,084	37,389,349
Total assets	<u>29,274,416</u>	<u>26,820,146</u>	<u>49,059,704</u>	<u>46,225,205</u>	<u>78,334,120</u>	<u>73,045,351</u>
Deferred outflows	<u>1,243,066</u>	<u>1,381,531</u>	<u>714,829</u>	<u>941,933</u>	<u>1,957,895</u>	<u>2,323,464</u>
Noncurrent liabilities	6,448,684	6,498,494	6,488,628	6,781,372	12,937,312	13,279,866
Other liabilities	1,935,934	1,517,440	959,475	523,323	2,895,409	2,040,763
Total liabilities	<u>8,384,618</u>	<u>8,015,934</u>	<u>7,448,103</u>	<u>7,304,695</u>	<u>15,832,721</u>	<u>15,320,629</u>
Deferred inflows	<u>1,696,306</u>	<u>3,769,478</u>	<u>665,227</u>	<u>1,487,602</u>	<u>2,361,533</u>	<u>5,257,080</u>
Net position:						
Net investment in capital assets	12,783,603	10,224,868	20,740,455	20,040,493	33,524,058	30,265,361
Restricted	8,608,488	8,627,865	981,670	564,178	9,590,158	9,192,043
Unrestricted	(955,533)	(2,436,468)	19,939,078	17,770,170	18,983,545	15,333,702
Total net position	<u>\$ 20,436,558</u>	<u>\$ 16,416,265</u>	<u>\$41,661,203</u>	<u>\$38,374,841</u>	<u>\$62,097,761</u>	<u>\$54,791,106</u>

The City's net position increased by \$5,992,730 during the current fiscal year.

The City's total assets and deferred outflows at June 30, 2023 increased \$4,923,200 from \$75,368,815 to \$80,292,015, or 6.53% from the prior year. Cash increased by \$3,597,904, or 11.27% from the prior year. Receivables increased by \$118,057, or 7.09% from the prior year. Capital assets, net, increased by \$1,787,735, or 4.78%, from the prior year. The remaining current assets, prepayments, increased by \$137, or 3.78%, from the prior year.

The City's total liabilities and deferred inflows at June 30, 2023 decreased by \$2,383,455, or 11.58%, from the prior year. Accounts payable and other current liabilities increased \$638,157, or 62.10%, from the prior year. Interest payable on long term debt decreased by \$13,259 or 17.67% from the prior year. The City's outstanding debt decreased \$1,387,132, or 14.27%.

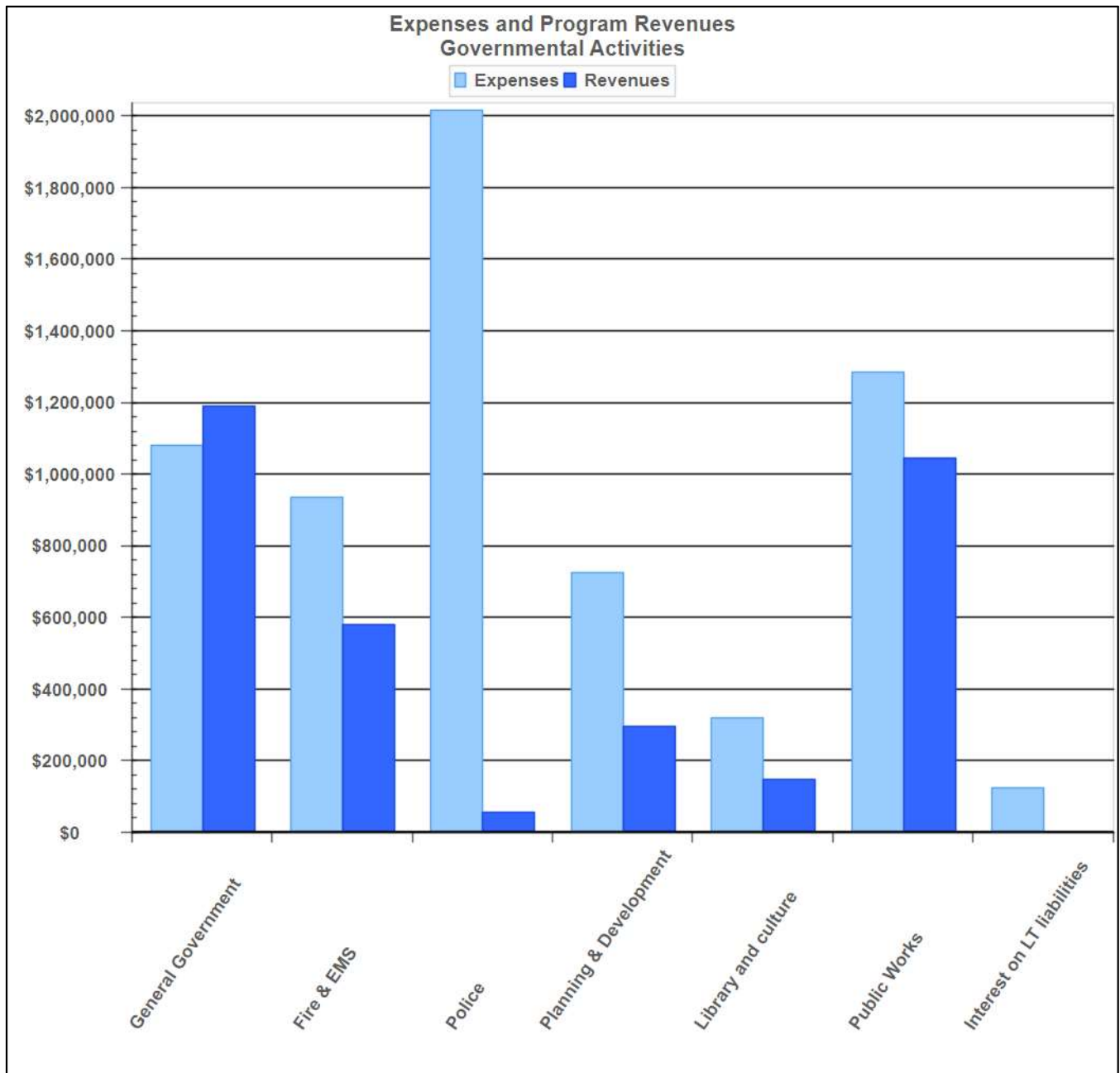
City of Warrenton's Change in Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Fines, fees & charges for services	\$ 798,977	\$ 1,097,488	\$10,199,041	\$ 9,594,818	\$10,998,018	\$10,692,306
Operating grants & contributions	1,333,303	580,406	-	-	1,333,303	580,406
Capital grants & contributions	1,179,569	530,668	454,092	205,203	1,633,661	735,871
General revenues:						
Property taxes	3,018,942	2,987,338	-	-	3,018,942	2,987,338
Other taxes	1,321,857	1,307,408	231,002	229,977	1,552,859	1,537,385
Franchise fees	994,262	924,075	-	-	994,262	924,075
Unrestricted state revenue sharing	213,502	192,271	-	-	213,502	192,271
Gain on sale of assets	-	135,508	-	-	-	135,508
Unrestricted investment earnings	374,925	60,274	614,823	110,360	989,748	170,634
Total revenues	<u>9,235,337</u>	<u>7,815,436</u>	<u>11,498,958</u>	<u>10,140,359</u>	<u>20,734,295</u>	<u>17,955,794</u>
Expenses:						
General government	1,080,921	665,345	-	-	1,080,921	665,345
Fire & emergency medical services	935,878	855,101	-	-	935,878	855,101
Police	2,015,855	1,821,401	-	-	2,015,855	1,821,401
Planning and development	725,171	678,698	-	-	725,171	678,698
Library and cultural services	319,205	329,155	-	-	319,205	329,155
Public works	1,285,805	640,086	-	-	1,285,805	640,086
Interest on long-term liabilities	124,508	150,462	-	-	124,508	150,462
Water utility	-	-	3,023,740	2,457,043	3,023,740	2,457,043
Sewer utility	-	-	2,755,729	2,629,732	2,755,729	2,629,732
Sanitation utility	-	-	1,244,597	1,250,438	1,244,597	1,250,438
Marinas	-	-	1,230,156	977,183	1,230,156	977,183
Total expenses	<u>6,487,343</u>	<u>5,140,248</u>	<u>8,254,222</u>	<u>7,314,396</u>	<u>14,741,565</u>	<u>12,454,644</u>
Transfers	(41,626)	-	41,626	-	-	5,501,150
Change in net position	2,706,368	2,675,188	3,286,362	2,825,963	5,992,730	5,501,150
Net position, July 1 as restated	<u>17,730,190</u>	<u>13,741,077</u>	<u>38,374,841</u>	<u>35,548,878</u>	<u>56,105,031</u>	<u>49,289,955</u>
Net position, June 30	<u>\$20,436,558</u>	<u>\$16,416,265</u>	<u>\$41,661,203</u>	<u>\$38,374,841</u>	<u>\$62,097,761</u>	<u>\$54,791,105</u>

Governmental activities. Governmental activities increased the City's net position by \$2,706,368. The primary elements of the change in total net position are as follows:

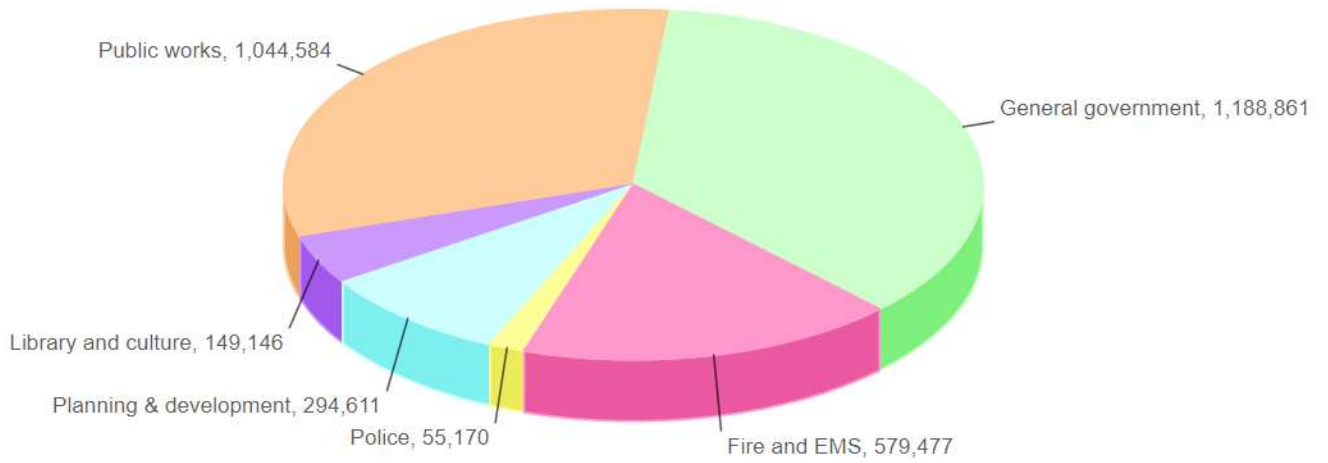
- Revenues overall increased \$1,419,901 as program revenues increased \$1,103,287 and general revenues increased \$316,614. The increase in program revenues relates to increased state gas taxes, capital grants for fire equipment and street projects.
- The General Fund permanent rate tax and Police Department local option tax increased \$83,635, the Urban Renewal Agency's tax decreased \$41,445 and the Library increased \$11,723, and taxes to pay debt decreased \$22,309.
- Franchise fees increased by \$70,187 during the year. This revenue can be cyclical due to weather conditions and demand for telecommunication services.
- Other taxes increased \$14,449, unrestricted state revenue sharing increased \$21,231.
- Unrestricted investment earnings (interest from bank accounts) decreased by \$314,651 during the year.
- Interest expense on debt decreased \$25,954 from the prior year.
- Total expenses increased by \$1,347,095. This increase is mostly a result of increased street maintenance, and increases in administrative, police, planning, and fire departments from the prior year.

The following graph summarizes the 2022-2023 governmental activity program revenues and corresponding expenses. The revenues shown total \$3,311,849, an increase from the prior year of \$1,103,287, are directly attributable to each activity (program revenues) and do not include property taxes, other taxes, franchise fees, unrestricted state revenue sharing, investment earnings, and other one-time or extraordinary revenue streams which are discretionary (general revenues). Discretionary revenues amount to \$5,923,488, an increase of \$316,614 from the prior year.



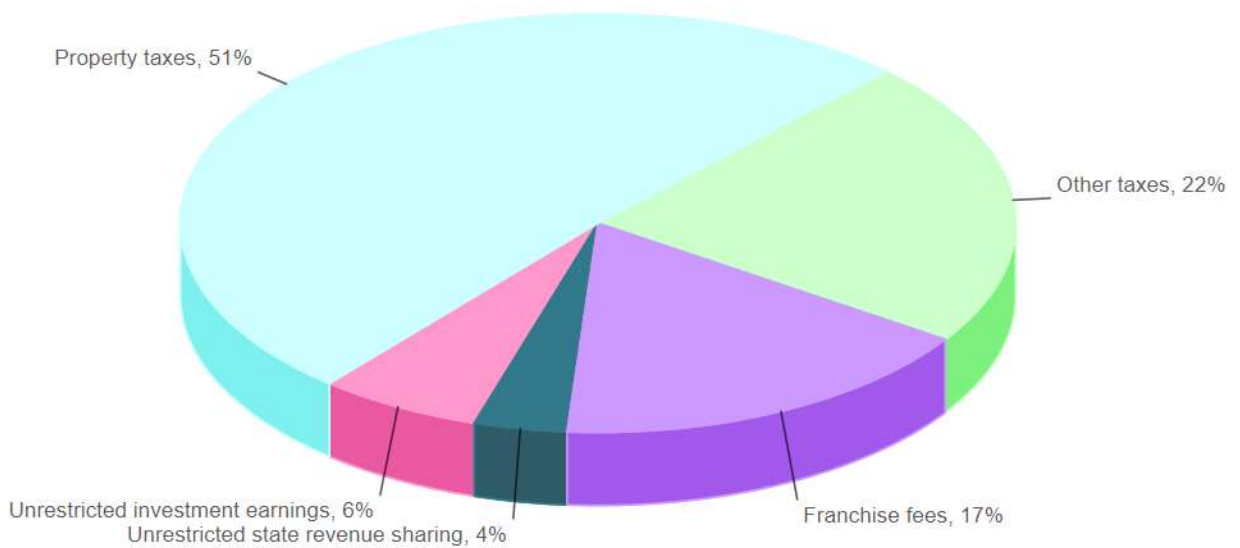
This next chart shows the total functional revenues for each program in the amount of \$3,311,849 by its source.

**Program Revenues by Source
Governmental Activities**



As the next chart reflects, most 2022-2023 governmental activities relied on general discretionary revenues to support the function. This graph shows total discretionary revenues in the amount of \$5,923,488 by percentage in each category

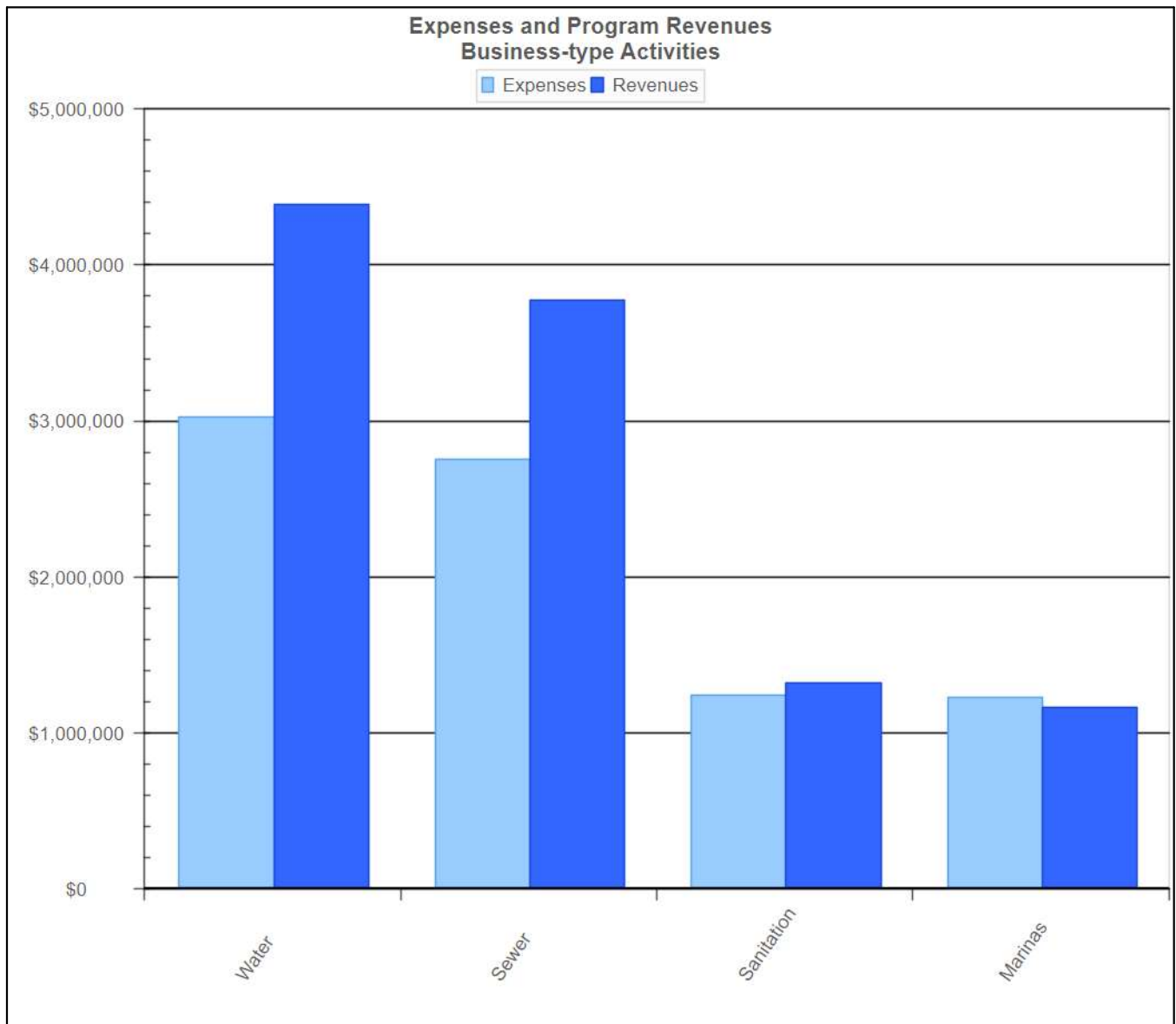
**Discretionary Revenues by Source
Governmental Activities**



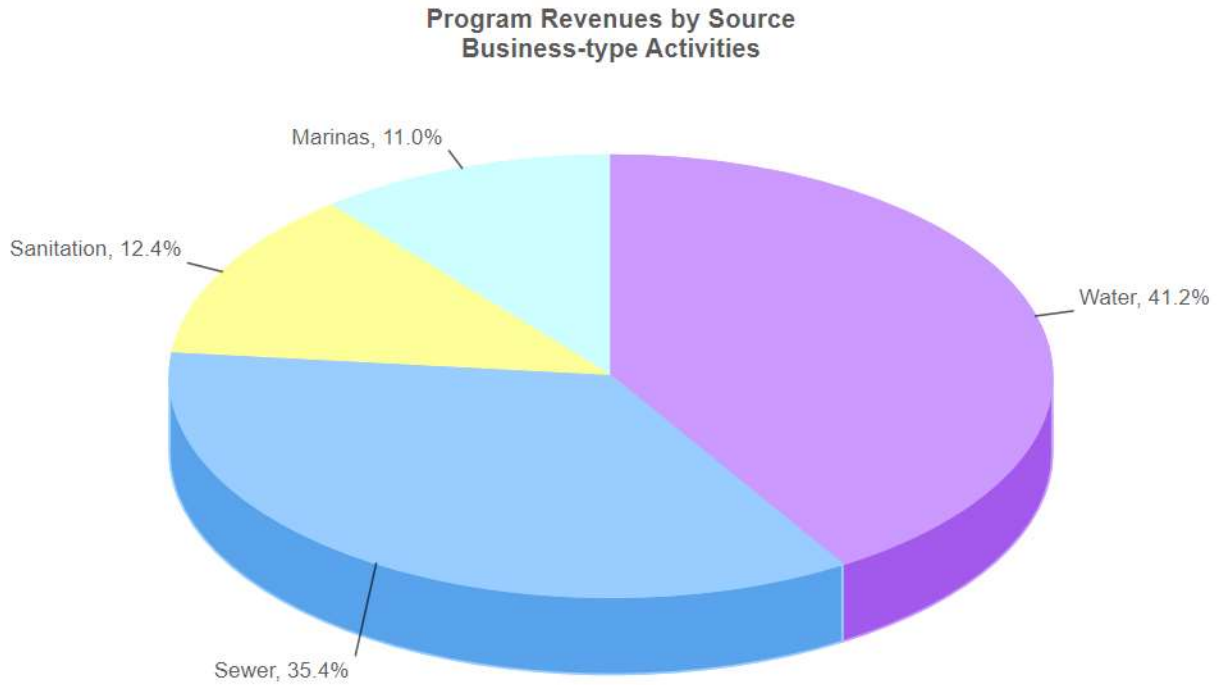
Business-type activities. Business-type activities increased the City’s net position by \$3,286,362. Key elements of this increase are as follows:

- Fines, fees, and charges for services had a net increase this year of \$604,223 from the prior year. Revenues increased in the Water fund, this year by \$365,954, they increased in the Sewer Fund by \$193,966, and increased in the Sanitation Fund by \$72,384, and the Marinas show decreases of \$28,081. Gross water sales increased by \$394,649, or 10.31%, from the prior year, as a result of water consumption increases of approximately 32.7 million gallons.
- Combined operating and capital grants and contributions increased this year by \$248,889 and are mostly due to higher sewer system development charges.
- Unrestricted investment earnings (interest from bank accounts) increased by \$504,463 during the year.
- Total business-type activity revenues increased by \$1,358,599.
- Total operating expenses increased from the prior year in the amount of \$939,826.

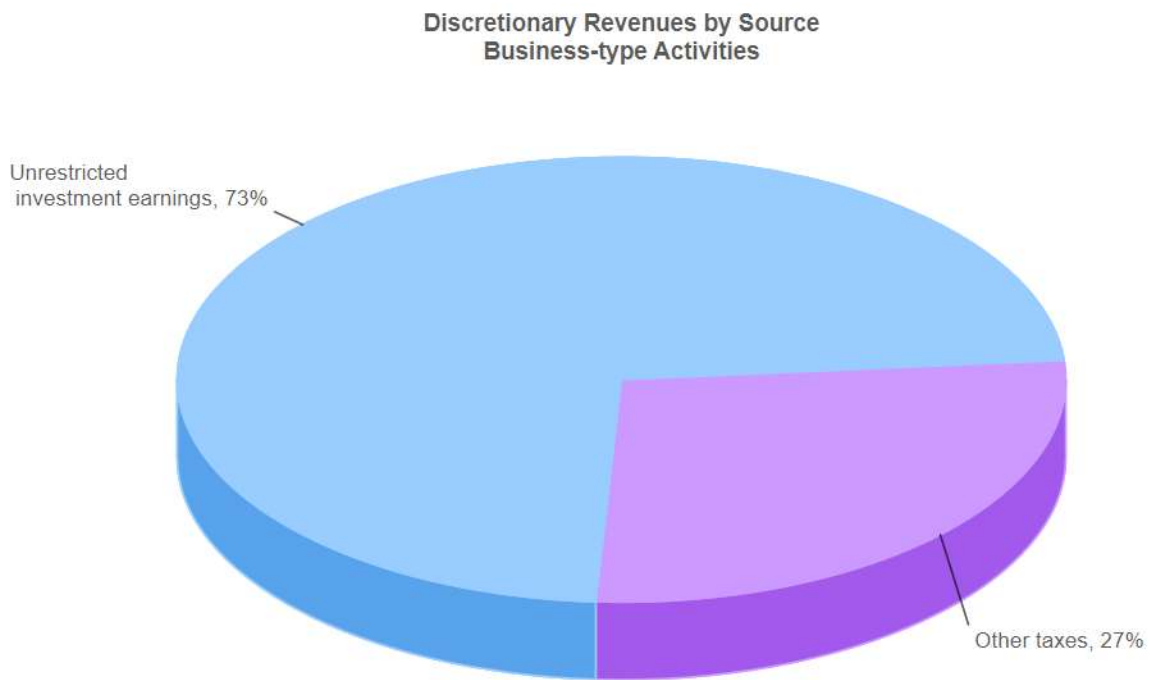
Business-type activities of the City of Warrenton are supported by charges for utility service, capital contributions, development fees, and other grants. The graph below summarizes the 2022-2023 expenses and revenues of those funds.



Total program revenues in the business-type activities of the City total \$10,653,133 as represented by the percentages in the chart below for 2022-2023.



In the following graph, discretionary revenues amount to \$845,825. Consisting of transient room tax dedicated to the Hammond Marina in the amount of \$231,002 and Unrestricted investment earnings of \$614,823



Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$11,582,500, an increase of \$532,240 in comparison with the prior year. Approximately 18.9% of this amount (\$2,191,794) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is either, *nonspendable, restricted, committed, or assigned* to indicate that it is 1) not in spendable form (\$1,353), 2) restricted for particular purposes (\$8,562,653), 3) committed for particular purposes (\$154,364), or 4) assigned for particular purposes (\$672,336).

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance of the General Fund was \$2,192,384. This balance increased from the prior year, in the amount of \$306,524. As a measure of the General Fund's liquidity, it may be useful to compare the categories of restrictions placed on the fund balance to total fund expenditures. Total fund balance represents approximately 42.6% of total General Fund expenditures and transfers out.

The fund balance of the City's General Fund increased by \$306,524 during the current fiscal year. While revenues increased \$87,116, expenditures also increased by \$150,433.

Key elements of the increase to fund balance are as follows:

- Taxes increased by \$104,492 during the year. Revenue in this category comes mostly from property taxes and land sales which increased by \$101,622 and transient room tax which increased by \$2,870.
- Franchise fees increased by \$70,187. This revenue stream can be quite cyclical.
- Intergovernmental receipts from Oregon state revenue sharing for cigarette, liquor and marijuana taxes and fees increased by \$21,233.
- Charges for services decreased by \$53,450. This decrease is mainly from planning services.
- Lease receipts increased by \$14,758 due to scheduled increases per lease agreements.
- Fines and fees from Municipal Court decreased by \$15,134.
- Investment (interest) earnings increased by \$75,422.
- Indirect cost allocations decreased by \$5,435.
- Expenditures and other financing sources and uses in the General Fund increased \$622,936 from the prior year. The increase in fire and emergency medical services (\$33,084) in general government (Administration, Commission, Finance and Municipal Court) (\$21,216), police (\$82,844), planning & development (\$52,671) and transfers out (\$472,502) was offset by a decrease in public works of \$39,381.

The State Tax Street Fund has a total fund balance of \$3,222,554, all of which is restricted to road maintenance. The net increase in fund balance during the current year was \$443,903.

- Revenue, from all sources decreased from the prior year by \$515,554. Increases in state and city fuels taxes of \$36,334, investment income of \$72,165, and miscellaneous income of \$5,905 was offset by a decrease in sidewalk in lieu fees of \$9,356 and ODOT donations of \$79,811.
- Total expenses decreased this year by \$242,023. Operational expenses increased this year by \$644,849 and capital project costs this year decreased by \$402,826.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water, Sewer, and Sanitation utilities amount to \$18,577,113, and those for the marinas amount to \$1,440,165.

The total change in net position for all funds was \$3,286,362. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

Budgetary Highlights

There were no changes to the original budget for the fiscal year ended June 30, 2023.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2023, amounts to \$39,177,084. This investment in capital assets includes land, buildings and improvements, furniture and equipment, heavy equipment, vehicles, facilities (utilities) and work in progress. Net capital assets increased by \$1,787,735 during the year because capital asset additions of \$3,964,591, net of current year deletions, less current year depreciation of \$2,176,853, are the significant factors in the overall increase of capital assets at the end of the year.

City of Warrenton's Capital Assets, Net of Accumulated Depreciation

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 2,405,374	\$ 2,405,574	\$ 422,041	\$ 422,041	\$ 2,827,415	\$ 2,827,615
Buildings	2,652,158	2,760,357	1,398,885	1,473,995	4,051,043	4,234,352
Equipment	1,951,183	1,696,556	620,964	674,382	2,572,147	2,370,938
Improvements	924,318	991,772	1,143,249	1,250,566	2,067,567	2,242,338
Facilities	-	-	19,415,592	20,708,139	19,415,592	20,708,139
Infrastructure	4,499,826	3,964,732	-	-	4,499,826	3,964,732
Right to use asset	-	20,940	-	-	-	20,940
Construction in progress	1,568,421	481,702	2,175,073	538,593	3,743,494	1,020,295
Total	\$14,001,280	\$12,321,633	\$25,175,804	\$25,067,716	\$39,177,084	\$37,389,349

Major capital asset additions during the current fiscal year included the following:

Equipment acquisitions amounted to a total of \$541,668 for patrol vehicles and mobile body cam & video server for the police department; lifepack monitor defibrillator, rehab cert ems response trailer, side by side sked pump transport, mobile pump and tank sked, command staff vehicles, and a lucas cpr device for the fire department; and a vacuum excavator trailer, locator equipment, and emergency response trailer for public works.

Major capital improvements were as follows:

- Replace Raw Water Pipe Downstream in the amount of \$942,938
- Commercial Work Pier (City share) in the amount of \$275,893.
- N Main/NW 7th Place Sewer Improvement in the amount of \$254,204
- Upsize East Harbor Waterline in the amount of \$104,079.
- Aluminum Gangways – Hammond Marina in the amount of \$35,151.
- Forest Rim Parklet in the amount of \$28,977.
- Safe Routes to School Grade School to Main Avenue in the amount of \$23,622.
- The Warrenton Urban Renewal Agency spent \$979,728 in capital improvements this year for the commercial work pier at the Warrenton Marina (\$921,178) and food pod parking lot improvement (\$58,550).

Overall, these construction and equipment additions total \$3,186,260 and represent approximately 97% of the total additions.

Additional information regarding the City's capital assets can be found at Note III C.

Long-term Debt. At the end of the current fiscal year, the City had total long-term debt of \$7,960,422. Of this amount, \$4,435,349 is proprietary fund secured loans and \$3,320,410 represents outstanding bonded indebtedness. The bonded indebtedness represents debt backed by the full faith and credit of the government.

City of Warrenton's Outstanding Debt						
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$ 1,820,502	\$ 2,307,397	\$ -	\$ -	\$ 1,820,502	\$ 2,307,397
Tax increment financial bonds	1,499,908	1,804,925	-	-	1,499,908	1,804,925
Notes payable	204,663	269,242	4,435,349	5,027,222	4,640,012	5,296,464
Total	\$ 3,525,073	\$ 4,381,564	\$ 4,435,349	\$ 5,027,222	\$ 7,960,422	\$ 9,408,786

Additional information on the City of Warrenton’s long-term debt can be found in Note III F.

Economic Factors and Next Year’s Budgets and Rates

During the preparation of the budget for the ensuing fiscal year, the long-term impacts of the local economy were examined in conjunction with business decisions made by the City. The following are the major assumptions used in developing the FY 2024 budget:

- A 3% increase in assessed property values resulting in the same increase in property tax revenue.
- Cost of living adjustment to wages of 5% for police association members and 2.5% for general union and non-union employees.
- A 4% increase in water utility, sewer utility and storm sewer rates.
- Interest rates on money market and savings accounts are holding steady.
- Coronavirus State & Local Fiscal Recovery Funds will be utilized to provide government services.
- The City of Warrenton continues to purchase a catastrophic liability insurance policy to protect itself from unforeseen losses in excess of \$5 million.

Requests for Information

This financial report is designed to provide a general overview of the City’s finances for those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the following address:

Finance Director
 City of Warrenton
 P. O. Box 250
 Warrenton, OR 97146

BASIC FINANCIAL STATEMENTS



CITY OF WARRENTON

Statement of Net Position

June 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 12,764,921	\$ 22,755,736	\$ 35,520,657
Receivables	766,134	1,016,129	1,782,263
Leases receivable, current	207,880	9,059	216,939
Prepaid items	1,352	2,409	3,761
Noncurrent assets:			
Restricted cash	-	63,012	63,012
Lease receivable	1,532,849	37,555	1,570,404
Capital assets:			
Nondepreciable assets	3,973,795	2,597,114	6,570,909
Depreciable assets, net	<u>10,027,485</u>	<u>22,578,690</u>	<u>32,606,175</u>
Total assets	29,274,416	49,059,704	78,334,120
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions	<u>1,243,066</u>	<u>714,829</u>	<u>1,957,895</u>
Total assets and deferred outflows	<u>30,517,482</u>	<u>49,774,533</u>	<u>80,292,015</u>
LIABILITIES			
Accounts payable	900,792	764,913	1,665,705
Accrued interest payable	9,627	52,151	61,778
Compensated absences	133,724	120,869	254,593
Unearned revenue	891,791	21,542	913,333
Noncurrent liabilities:			
Debt Due within one year	880,668	624,888	1,505,556
Debt Due in more than one year	2,644,406	4,182,514	6,826,920
Net pension liability	<u>2,923,610</u>	<u>1,681,226</u>	<u>4,604,836</u>
Total liabilities	8,384,618	7,448,103	15,832,721
DEFERRED INFLOWS OF RESOURCES			
Related to pensions	1,082,323	622,388	1,704,711
Deferred Inflows -Leases Receivable	<u>613,983</u>	<u>42,839</u>	<u>656,822</u>
Total deferred inflows	<u>1,696,306</u>	<u>665,227</u>	<u>2,361,533</u>
Total liabilities and deferred inflows	<u>10,080,924</u>	<u>8,113,330</u>	<u>18,194,254</u>
NET POSITION			
Net investment in capital assets	12,783,603	20,740,455	33,524,058
Restricted for:			
Debt service	2,812,275	63,012	2,875,287
Building inspection program	571,250	-	571,250
Road maintenance	3,218,215	-	3,218,215
Urban renewal improvements	7,970	-	7,970
Library and culture	218,382	-	218,382
Public works	245,666	-	245,666
System development	1,534,730	918,658	2,453,388
Unrestricted	<u>(955,533)</u>	<u>19,939,078</u>	<u>18,983,545</u>
Total net position	<u>\$ 20,436,558</u>	<u>\$ 41,661,203</u>	<u>\$ 62,097,761</u>

The accompanying notes are an integral part of these financial statements.

CITY OF WARRENTON

Statement of Activities

For the Year Ended June 30, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Indirect Expense Allocation</u>	<u>Program Revenues</u>		
			<u>Fees, Fines, and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:					
General government	\$ 2,216,764	\$(1,135,843)	\$ 168,664	\$ -	\$ 1,020,197
Fire and emergency medical services	857,572	78,306	158,601	420,876	-
Police	1,954,254	61,601	43,666	11,504	-
Planning and development	706,378	18,793	294,611	-	-
Library and culture	290,319	28,886	120,847	28,299	-
Public works	1,203,787	82,018	12,588	872,624	159,372
Interest on long-term liabilities	124,508	-	-	-	-
Total governmental activities	<u>7,353,582</u>	<u>(866,239)</u>	<u>798,977</u>	<u>1,333,303</u>	<u>1,179,569</u>
Business-type activities:					
Water utilities	2,715,852	307,888	4,307,020	-	83,988
Sewer utilities	2,393,665	362,064	3,458,689	-	314,774
Sanitation utilities	1,164,319	80,278	1,321,780	-	-
Marinas	1,114,147	116,009	1,111,552	-	55,330
Total business-type activities	<u>7,387,983</u>	<u>866,239</u>	<u>10,199,041</u>	<u>-</u>	<u>454,092</u>
Total activities	<u>\$14,741,565</u>	<u>\$ -</u>	<u>\$ 10,998,018</u>	<u>\$ 1,333,303</u>	<u>\$ 1,633,661</u>

General revenues:

 Taxes:

 Property taxes levied for general purpose

 Property taxes levied for debt service

 Other taxes

 Franchise fees

 Unrestricted state revenue sharing

 Unrestricted investment earnings

 Total general revenues

 Transfers

 Total general revenues and transfers

Change in net position

Net position, beginning

Opening balance adjustment (see note IV. E)

Net position, ending

The accompanying notes are an integral part of these financial statements.

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ 107,940	\$ -	\$ 107,940
(356,401)	-	(356,401)
(1,960,685)	-	(1,960,685)
(430,560)	-	(430,560)
(170,059)	-	(170,059)
(241,221)	-	(241,221)
<u>(124,508)</u>	<u>-</u>	<u>(124,508)</u>
<u>(3,175,494)</u>	<u>-</u>	<u>(3,175,494)</u>
-	1,367,268	1,367,268
-	1,017,734	1,017,734
-	77,183	77,183
<u>-</u>	<u>(63,274)</u>	<u>(63,274)</u>
<u>-</u>	<u>2,398,911</u>	<u>2,398,911</u>
<u>(3,175,494)</u>	<u>2,398,911</u>	<u>(776,583)</u>
1,600,531	-	1,600,531
1,418,411	-	1,418,411
1,321,857	231,002	1,552,859
994,262	-	994,262
213,502	-	213,502
<u>374,925</u>	<u>614,823</u>	<u>989,748</u>
5,923,488	845,825	6,769,313
<u>(41,626)</u>	<u>41,626</u>	<u>-</u>
<u>5,881,862</u>	<u>887,451</u>	<u>6,769,313</u>
2,706,368	3,286,362	5,992,730
16,416,265	38,374,841	54,791,106
<u>1,313,925</u>	<u>-</u>	<u>1,313,925</u>
<u>\$ 20,436,558</u>	<u>\$ 41,661,203</u>	<u>\$ 62,097,761</u>

The accompanying notes are an integral part of these financial statements.

CITY OF WARRENTON
GOVERNMENTAL FUNDS

Balance Sheet

June 30, 2023

	General (001)	State Tax Street (040)	Grant (015)	Nonmajor Governmental Funds	Total
ASSETS					
Cash and cash equivalents	\$ 2,222,379	\$ 3,386,950	\$ 894,171	\$ 6,261,421	\$ 12,764,921
Receivables:					
Taxes	73,376	-	-	94,467	167,843
Accounts	310,233	3,858	-	90,847	404,938
Rehabilitation loans	39,430	-	-	-	39,430
Intergovernmental	40,950	112,778	-	-	153,728
Grants	-	-	295	-	295
Prepaid items	590	-	-	763	1,353
Leases Receivable	1,740,629	-	-	-	1,740,629
Total assets	\$ 4,427,587	\$ 3,503,586	\$ 894,466	\$ 6,447,498	\$ 15,273,137
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 402,237	\$ 281,032	\$ 1,060	\$ 216,466	\$ 900,795
Unearned revenue	-	-	-	1,853	1,853
Deferred revenue	1,095	-	888,842	-	889,937
Total liabilities	403,332	281,032	889,902	218,319	1,792,585
Deferred Inflows of Resources:					
Unavailable revenue - Property Taxes	51,812	-	-	66,181	117,993
Deferred Inflows - Loans Receivable	39,430	-	-	-	39,430
Deferred Inflows -leases receivable	1,740,629	-	-	-	1,740,629
Total deferred inflows of resources	1,831,871	-	-	66,181	1,898,052
Fund Balances:					
Nonspendable - Prepaid items	590	-	-	763	1,353
Restricted for:					
Road maintenance	-	3,222,554	-	-	3,222,554
Debt service	-	-	-	2,762,612	2,762,612
Library and culture	-	-	-	209,529	209,529
Public works	-	-	-	245,666	245,666
Urban renewal improvements	-	-	-	7,970	7,970
Building inspection program	-	-	-	579,592	579,592
System development	-	-	-	1,534,730	1,534,730
Committed to:					
Library and culture	-	-	-	149,800	149,800
Grant expenditures	-	-	4,564	-	4,564
Assigned to:					
Capital projects	-	-	-	672,336	672,336
Unassigned	2,191,794	-	-	-	2,191,794
Total fund balances	2,192,384	3,222,554	4,564	6,162,998	11,582,500
Total liabilities, deferred inflows of resources and fund balances	\$ 4,427,587	\$ 3,503,586	\$ 894,466	\$ 6,447,498	\$ 15,273,137

The accompanying notes are an integral part of these financial statements.

CITY OF WARRENTON

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

June 30, 2023

Amounts reported for governmental activities in the statement of net position are different because:

Fund balances - governmental funds		\$ 11,582,500
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Certain receivables are not available to pay for current period expenditures:

Property taxes receivable	117,993	
Loans receivable	39,430	
Leases receivable and related deferred inflows	1,126,647	
		1,284,070

Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds:

Nondepreciable assets	\$ 3,973,795	
Depreciable assets	<u>10,027,485</u>	
		14,001,280

Assets, liabilities, deferred inflows and deferred outflows related to the City's portion of the State-wide pension plan are not current resources or requirements and therefore are not reported in the funds:

Deferred outflows of resources related to pensions	1,243,066	
Net pension liability	(2,923,610)	
Deferred inflows of resources related to pensions	<u>(1,082,323)</u>	
		(2,762,867)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Compensated absences	(133,724)	
Accrued interest payable	(9,627)	
Long-term debt	<u>(3,525,074)</u>	
		<u>(3,668,425)</u>

Net position of governmental activities		<u>\$ 20,436,558</u>
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The accompanying notes are an integral part of these financial statements.

CITY OF WARRENTON

GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended June 30, 2023

	General (001)	State Tax Street (040)	Grant (015)	Nonmajor Governmental Funds	Total
Revenues:					
Taxes	\$ 1,996,099	\$ 368,880	\$ -	\$ 1,972,685	\$ 4,337,664
Franchise fees	994,262	-	-	-	994,262
Licenses and permits	675	-	-	332,869	333,544
Intergovernmental	213,502	992,579	432,379	263	1,638,723
Charges for services	216,949	-	-	30,061	247,010
Lease receipts	241,779	-	-	-	241,779
Fines and forfeits	86,952	-	-	269	87,221
Investment earnings	86,082	86,610	-	202,236	374,928
Donations	-	-	-	71,260	71,260
Indirect cost allocation	1,160,090	-	-	-	1,160,090
Other revenue	30,263	11,117	-	29,973	71,353
Total revenues	<u>5,026,653</u>	<u>1,459,186</u>	<u>432,379</u>	<u>2,639,616</u>	<u>9,557,834</u>
Expenditures:					
Current:					
General government	1,313,772	-	-	399,452	1,713,224
Fire and emergency medical services	817,321	-	1,059	-	818,380
Police	1,909,639	-	11,504	-	1,921,143
Planning and development	285,669	-	-	424,425	710,094
Library and culture	-	-	-	296,679	296,679
Public works	102,290	976,709	-	20,411	1,099,410
Debt service:					
Principal retirement	64,579	-	-	791,912	856,491
Interest expense	7,455	-	-	119,613	127,068
Capital outlay	-	54,443	-	1,492,617	1,547,060
Total expenditures	<u>4,500,725</u>	<u>1,031,152</u>	<u>12,563</u>	<u>3,545,109</u>	<u>9,089,549</u>
Excess (deficiency) of revenues over (under) expenditures	<u>525,928</u>	<u>428,034</u>	<u>419,816</u>	<u>(905,493)</u>	<u>468,285</u>
Other Financing Sources (Uses):					
Transfers in	423,876	-	-	1,597,282	2,021,158
Transfers out	(643,280)	-	(420,876)	(998,628)	(2,062,784)
Capital contributions	-	15,869	-	89,712	105,581
Total other financing sources (uses)	<u>(219,404)</u>	<u>15,869</u>	<u>(420,876)</u>	<u>688,366</u>	<u>63,955</u>
Net change in fund balances	306,524	443,903	(1,060)	(217,127)	532,240
Fund Balances:					
Beginning of year	<u>1,885,860</u>	<u>2,778,651</u>	<u>5,624</u>	<u>6,380,125</u>	<u>11,050,260</u>
End of year	<u>\$ 2,192,384</u>	<u>\$ 3,222,554</u>	<u>\$ 4,564</u>	<u>\$ 6,162,998</u>	<u>\$ 11,582,500</u>

The accompanying notes are an integral part of these financial statements.

CITY OF WARRENTON

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

June 30, 2023

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - governmental funds	\$	532,240
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Change in unavailable revenues	17,353	
Receivable for prior year grant received during current period	(109,125)	
Net change in leases and deferred amounts related to leases	<u>1,115,256</u>	
		1,023,484

Capital outlays are reported as expenditures in governmental funds. However, the Statement of Activities allocates the cost of capital outlays over their estimated useful lives as depreciation expense.

Expenditures for capital assets	\$ 2,558,324	
Current year depreciation	(544,629)	
Disposition of capital assets	<u>(309,091)</u>	
		1,704,604

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Change in:		
Compensated absences	(10,678)	
Accrued interest payable	2,560	
Expenses related to pension obligations	<u>(88,408)</u>	
		(96,526)

Proceeds from the issuance of long-term debt provide current financial resources to governmental funds and are reported as other financing sources. In the same way, repayments of long-term debt use current financial resources and are reported as expenditures in governmental funds. However, neither the receipt of debt proceeds nor the payment of debt principal affect the Statement of Activities, but are reported as increases and decreases in noncurrent liabilities in the Statement of Net Position.

Repayment of long-term debt	<u>856,491</u>	
		<u>856,491</u>

Change in net position of governmental activities	\$	<u><u>4,020,293</u></u>
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The accompanying notes are an integral part of these financial statements.

CITY OF WARRENTON

General Fund

Statement of Resources and Requirements
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance
Resources:				
Beginning fund balance	\$ 1,100,000	\$ 1,100,000	\$ 1,885,860	\$ 785,860
Taxes	1,881,703	1,881,703	1,996,099	114,396
Franchise fees	942,319	942,319	994,262	51,943
Licenses and permits	575	575	675	100
Intergovernmental	195,819	195,819	213,502	17,683
Charges for services	240,829	240,829	216,949	(23,880)
Lease receipts	220,002	220,002	241,779	21,777
Fines and forfeits	128,700	128,700	86,952	(41,748)
Investment earnings	8,000	8,000	86,082	78,082
Indirect cost allocation	1,385,311	1,385,311	1,160,090	(225,221)
Other revenue	3,000	3,000	30,263	27,263
Net transfers within enterprise	<u>685,618</u>	<u>685,618</u>	<u>423,876</u>	<u>(261,742)</u>
Total resources	<u>\$ 6,791,876</u>	<u>\$ 6,791,876</u>	<u>\$ 7,336,389</u>	<u>\$ 544,513</u>
Requirements				
Municipal Court	\$ 188,871	\$ 188,871	\$ 153,682	\$ 35,189
Administration/Commission	1,385,311	1,385,311	1,160,090	225,221
Community Development	439,126	439,126	285,669	153,457
Police	2,189,639	2,189,639	1,909,639	280,000
Fire	1,034,854	1,034,854	889,355	145,499
Parks	160,746	160,746	102,290	58,456
Contingency	314,541	314,541	-	314,541
Transfers	<u>891,451</u>	<u>891,451</u>	<u>643,280</u>	<u>248,171</u>
Total department requirements	<u>6,604,539</u>	<u>6,604,539</u>	<u>5,144,005</u>	<u>1,460,534</u>
Ending fund balance	<u>187,337</u>	<u>187,337</u>	<u>2,192,384</u>	<u>(2,005,047)</u>
Total requirements	<u>\$ 6,791,876</u>	<u>\$ 6,791,876</u>	<u>\$ 7,336,389</u>	<u>\$ (544,513)</u>

The accompanying notes are an integral part of these financial statements.

CITY OF WARRENTON

State Tax Street Fund

Statement of Resources and Requirements
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 2,100,000	\$ 2,100,000	\$ 2,778,651	\$ 678,651
Taxes	356,000	356,000	368,880	12,880
Intergovernmental	2,345,420	2,345,420	992,579	(1,352,841)
Investment earnings	12,000	12,000	86,610	74,610
Capital contributions	25,000	25,000	15,869	(9,131)
Other revenue	<u>-</u>	<u>-</u>	<u>11,117</u>	<u>11,117</u>
Total resources	<u>\$ 4,838,420</u>	<u>\$ 4,838,420</u>	<u>\$ 4,253,706</u>	<u>\$ (584,714)</u>
Requirements:				
Public Works:				
Personal services	\$ 256,742	\$ 256,742	\$ 156,797	\$ 99,945
Materials and services	776,578	776,578	819,912	(43,334)
Capital outlay	<u>3,706,350</u>	<u>3,706,350</u>	<u>54,443</u>	<u>3,651,907</u>
Total department expenditures *	4,739,670	4,739,670	1,031,152	3,708,518
Contingency	<u>75,000</u>	<u>75,000</u>	<u>-</u>	<u>75,000</u>
Total expenditures	4,814,670	4,814,670	1,031,152	3,783,518
Ending fund balance	<u>23,750</u>	<u>23,750</u>	<u>3,222,554</u>	<u>(3,198,804)</u>
Total requirements	<u>\$ 4,838,420</u>	<u>\$ 4,838,420</u>	<u>\$ 4,253,706</u>	<u>\$ 584,714</u>

* Budget appropriation level

The accompanying notes are an integral part of these financial statements.

CITY OF WARRENTON

Grant Fund

Schedule of Resources and Requirements
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 5,623	\$ 5,623	\$ 5,624	\$ 1
Intergovernmental	<u>843,176</u>	<u>843,176</u>	<u>432,379</u>	<u>(410,797)</u>
Total resources	<u>\$ 848,799</u>	<u>\$ 848,799</u>	<u>\$ 438,003</u>	<u>\$ (410,796)</u>
Requirements:				
Police Department	\$ 25,000	\$ 25,000	\$ 11,504	\$ 13,496
Fire Department	137,235	137,235	1,059	136,176
Admin Department	<u>2,109</u>	<u>2,109</u>	<u>-</u>	<u>2,109</u>
Transfers out	<u>682,618</u>	<u>682,618</u>	<u>420,876</u>	<u>261,742</u>
Total expenditures	846,962	846,962	433,439	413,523
Ending fund balance	<u>1,837</u>	<u>1,837</u>	<u>4,564</u>	<u>(2,727)</u>
Total requirements	<u>\$ 848,799</u>	<u>\$ 848,799</u>	<u>\$ 438,003</u>	<u>\$ 410,796</u>

The accompanying notes are an integral part of these financial statements.

CITY OF WARRENTON

PROPRIETARY FUNDS

Statement of Net Position

June 30, 2023

	Business-type Activities - Enterprise Funds				Total	Business-type
	Water Enterprise Fund	Sewer Enterprise Fund	Sanitation Enterprise Fund	Nonmajor Enterprise Funds		Engineering Internal Service Fund (042)
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 8,826,190	\$10,929,050	\$ 906,201	\$ 2,093,731	\$22,755,172	\$ 564
Accounts receivable	401,880	369,075	128,577	20,619	920,151	-
Intergovernmental receivables	-	-	-	83,468	83,468	-
Other receivables	10,036	2,474	-	-	12,510	-
Lease Receivable, Current	-	-	-	9,059	9,059	-
Prepaid expenses	1,035	939	435	-	2,409	-
Total current assets	<u>9,239,141</u>	<u>11,301,538</u>	<u>1,035,213</u>	<u>2,206,877</u>	<u>23,782,769</u>	<u>564</u>
Noncurrent assets:						
Restricted cash	-	63,012	-	-	63,012	-
Lease Receivable, less current portion	-	-	-	37,555	37,555	-
Capital assets:						
Nondepreciable assets	1,534,791	463,700	29,669	568,954	2,597,114	-
Depreciable assets, net	<u>11,972,341</u>	<u>8,197,381</u>	<u>395,838</u>	<u>2,013,130</u>	<u>22,578,690</u>	<u>-</u>
Total noncurrent assets	<u>13,507,132</u>	<u>8,724,093</u>	<u>425,507</u>	<u>2,619,639</u>	<u>25,276,371</u>	<u>-</u>
Total assets	<u>22,746,273</u>	<u>20,025,631</u>	<u>1,460,720</u>	<u>4,826,516</u>	<u>49,059,140</u>	<u>564</u>
DEFERRED OUTFLOWS OF RESOURCES						
Related to pensions	<u>223,984</u>	<u>213,019</u>	<u>55,017</u>	<u>187,370</u>	<u>679,390</u>	<u>35,439</u>
LIABILITIES						
Current liabilities:						
Accounts payable	199,514	203,524	77,147	284,728	764,913	-
Accrued interest payable	42,493	9,658	-	-	52,151	-
Compensated absences	37,086	39,279	5,800	38,704	120,869	-
Unearned revenue	-	-	-	21,542	21,542	-
Loans payable - current	466,992	146,246	-	-	613,238	-
Landfill postclosure care - current	-	-	11,650	-	11,650	-
Total current liabilities	<u>746,085</u>	<u>398,707</u>	<u>94,597</u>	<u>344,974</u>	<u>1,584,363</u>	<u>-</u>
Noncurrent liabilities:						
Loans payable	2,554,489	1,267,622	-	-	3,822,111	-
Landfill postclosure care liability	-	-	360,403	-	360,403	-
Net pension liability	<u>526,793</u>	<u>501,006</u>	<u>129,396</u>	<u>440,683</u>	<u>1,597,878</u>	<u>83,348</u>
Total liabilities	<u>3,827,367</u>	<u>2,167,335</u>	<u>584,396</u>	<u>785,657</u>	<u>7,364,755</u>	<u>83,348</u>
DEFERRED INFLOWS OF RESOURCES						
Related to pensions	195,018	185,472	47,902	163,141	591,533	30,855
Deferred Inflows - Leases Receivable	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,839</u>	<u>42,839</u>	<u>-</u>
Total deferred Inflows of resources	<u>195,018</u>	<u>185,472</u>	<u>47,902</u>	<u>205,980</u>	<u>634,372</u>	<u>-</u>
NET POSITION						
Net investment in capital assets	10,485,651	7,247,213	425,507	2,582,084	20,740,455	-
Restricted for debt service	-	63,012	-	-	63,012	-
Restricted for system development	322,480	596,178	-	-	918,658	-
Unrestricted	<u>8,139,741</u>	<u>9,979,440</u>	<u>457,932</u>	<u>1,440,165</u>	<u>20,017,278</u>	<u>(78,200)</u>
Total net position	<u>\$18,947,872</u>	<u>\$17,885,843</u>	<u>\$ 883,439</u>	<u>\$ 4,022,249</u>	<u>\$41,739,403</u>	<u>\$ (78,200)</u>

The accompanying notes are an integral part of these financial statements.

CITY OF WARRENTON

Reconciliation of the Statement of Net Position of Enterprise Funds to the Statement of Net Position

June 30, 2023

Amounts reported for business-type activities in the statement of net position are different because:

Net position - enterprise funds \$ 41,739,403

Internal service funds are used by management to charge the cost of engineering to individual funds. The assets, deferred outflows of resources, liabilities and deferred inflows of resources of the internal service fund are included in business-type activities in the statement of net position. (78,200)

Net position of business-type activities \$ 41,661,203

The accompanying notes are an integral part of these financial statements.

CITY OF WARRENTON

PROPRIETARY FUNDS

Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended June 30, 2023

	Business-type Activities - Enterprise Funds					Business-type Activities
	Water Enterprise Fund	Sewer Enterprise Fund	Sanitation Enterprise Fund	Nonmajor Enterprise Funds	Total	Engineering Internal Service Fund (042)
Operating Revenues:						
Charges for services	\$ 4,296,158	\$ 3,451,713	\$ 1,315,715	\$ 1,073,005	\$10,136,591	\$ 61,182
Lease receipts	-	-	-	32,776	32,776	-
Other revenue	10,862	6,976	6,065	5,771	29,674	82
Total operating revenues	<u>4,307,020</u>	<u>3,458,689</u>	<u>1,321,780</u>	<u>1,111,552</u>	<u>10,199,041</u>	<u>61,264</u>
Operating Expenses:						
Payroll and payroll benefits	864,526	675,961	150,525	646,284	2,337,296	135,635
Contracted services	191,644	363,729	808,878	16,241	1,380,492	663
Utilities and telephone	137,405	171,880	5,841	109,193	424,319	292
Repairs and maintenance	671,666	286,331	37,823	170,851	1,166,671	-
Other operating expenses	266,843	253,430	130,635	66,568	717,476	944
Overhead cost allocation	140,128	164,786	36,537	52,799	394,250	-
Depreciation	633,502	767,667	74,358	156,697	1,632,224	-
Total operating expenses	<u>2,905,714</u>	<u>2,683,784</u>	<u>1,244,597</u>	<u>1,218,633</u>	<u>8,052,728</u>	<u>137,534</u>
Operating income (loss)	<u>1,401,306</u>	<u>774,905</u>	<u>77,183</u>	<u>(107,081)</u>	<u>2,146,313</u>	<u>(76,270)</u>
Nonoperating Revenues (Expenses):						
Investment earnings	240,062	285,317	21,567	67,877	614,823	-
Taxes	-	-	-	231,002	231,002	-
Intergovernmental	-	-	-	43,807	43,807	-
Interest expense	(79,891)	(33,810)	-	-	(113,701)	-
Total nonoperating revenues (expenses)	<u>160,171</u>	<u>251,507</u>	<u>21,567</u>	<u>342,686</u>	<u>775,931</u>	<u>-</u>
Income (loss) before contributions	1,561,477	1,026,412	98,750	235,605	2,922,244	(76,270)
Capital contributions	83,988	314,774	-	-	398,762	-
Transfer from general fund	-	-	-	41,626	41,626	-
Change in net position	1,645,465	1,341,186	98,750	277,231	3,362,632	(76,270)
Net Position:						
Beginning of year	17,302,407	16,544,657	784,689	3,745,018	38,376,771	(1,930)
End of year	<u>\$18,947,872</u>	<u>\$17,885,843</u>	<u>\$ 883,439</u>	<u>\$ 4,022,249</u>	<u>\$41,739,403</u>	<u>\$ (78,200)</u>

Reconciliation of the Statement of Revenues, Expenses, and Changes in Net Position of Enterprise Funds to the Statement of Activities

Amounts reported for business-type activities in the statement of activities are different because:

Change in net position - enterprise funds	\$ 3,362,632
The internal service fund is used by management to charge the cost of engineering services to individual funds. The net revenue is reported with business-type activities in the statement of activities	<u>(76,270)</u>
Change in net position of business-type activities	<u>\$ 3,286,362</u>

The accompanying notes are an integral part of these financial statements.

CITY OF WARRENTON

PROPRIETARY FUNDS

Statement of Cash Flows

For the Year Ended June 30, 2023

	Business-type Activities - Enterprise Funds					Business-type Activities
	Water Enterprise Fund	Sewer Enterprise Fund	Sanitation Enterprise Fund	Nonmajor Enterprise Funds	Total	
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 4,200,249	\$ 3,405,121	\$1,314,969	\$1,110,466	\$10,030,805	\$ -
Receipts from interfund charges	-	-	-	-	-	61,264
Payments to suppliers and contractors	(1,150,094)	(972,016)	(885,481)	(161,049)	(3,168,640)	(2,068)
Payments to employees	(794,513)	(671,440)	(220,937)	(490,918)	(2,177,808)	(63,068)
Payments for interfund services	<u>(307,887)</u>	<u>(404,755)</u>	<u>(80,278)</u>	<u>(74,014)</u>	<u>(866,934)</u>	<u>-</u>
Net cash provided by (used in) operating	<u>1,947,755</u>	<u>1,356,910</u>	<u>128,273</u>	<u>384,485</u>	<u>3,817,423</u>	<u>(3,872)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Taxes collected	-	-	-	231,002	231,002	-
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,626</u>	<u>41,626</u>	<u>-</u>
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>272,628</u>	<u>272,628</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Intergovernmental capital grants	-	-	-	39,939	39,939	-
Capital contributions	83,990	314,773	-	-	398,763	-
Acquisition and construction of capital assets	(1,087,206)	(299,813)	-	(353,293)	(1,740,312)	-
Principal paid on debt	(449,732)	(142,142)	-	-	(591,874)	-
Interest paid on debt	<u>(89,224)</u>	<u>(35,176)</u>	<u>-</u>	<u>-</u>	<u>(124,400)</u>	<u>-</u>
Net cash used in capital and related financing activities	<u>(1,542,172)</u>	<u>(162,358)</u>	<u>-</u>	<u>(313,354)</u>	<u>(2,017,884)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest and dividends received	<u>240,060</u>	<u>285,317</u>	<u>21,567</u>	<u>67,877</u>	<u>614,821</u>	<u>-</u>
Net change in cash and cash equivalents	645,643	1,479,869	149,840	411,636	2,686,988	(3,872)
Cash and cash equivalents:						
Beginning of year	<u>8,180,547</u>	<u>9,512,193</u>	<u>756,361</u>	<u>1,682,095</u>	<u>20,131,196</u>	<u>4,436</u>
End of year	<u>\$ 8,826,190</u>	<u>\$ 10,992,062</u>	<u>\$ 906,201</u>	<u>\$2,093,731</u>	<u>\$22,818,184</u>	<u>\$ 564</u>
Cash and cash equivalents are reported on the Statement of Net Position as follows:						
Cash and cash equivalents	\$ 8,826,190	\$ 10,929,050	\$ 906,201	\$2,093,731	\$22,755,172	\$ 564
Restricted cash	-	63,012	-	-	63,012	-
	<u>\$ 8,826,190</u>	<u>\$ 10,992,062</u>	<u>\$ 906,201</u>	<u>\$2,093,731</u>	<u>\$22,818,184</u>	<u>\$ 564</u>

Continued on next page

The accompanying notes are an integral part of these financial statements.

PROPRIETARY FUNDS

Statement of Cash Flows, Continued

For the Year Ended June 30, 2023

	Business-type Activities - Enterprise Funds					Business-type
	Water Enterprise Fund	Sewer Enterprise Fund	Sanitation Enterprise Fund	Nonmajor Enterprise Funds	Total	Activities
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ 1,401,306	\$ 774,905	\$ 77,183	\$ (107,081)	\$ 2,146,313	\$ (76,270)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	633,502	767,667	74,358	156,697	1,632,224	-
Pension adjustments	(101,293)	(208,876)	(70,228)	70,565	(309,832)	75,166
(Increase) decrease in assets:						
Receivables	(106,771)	(53,568)	(6,812)	2,548	(164,603)	-
Leases receivable	-	-	-	2,667	2,667	-
Prepaid expenses	(91)	(76)	(28)	-	(195)	-
Increase (decrease) in liabilities:						
Accounts payable	117,555	84,950	(7,025)	262,245	457,725	(169)
Compensated absences	3,547	(8,092)	(407)	3,145	(1,807)	(2,599)
Unearned revenue	-	-	-	(6,301)	(6,301)	-
Landfill postclosure care liability	-	-	61,232	-	61,232	-
Net cash provided by (used in) operating activities	<u>\$ 1,947,755</u>	<u>\$ 1,356,910</u>	<u>\$ 128,273</u>	<u>\$ 384,485</u>	<u>\$ 3,817,423</u>	<u>\$ (3,872)</u>

The accompanying notes are an integral part of these financial statements.

CITY OF WARRENTON

Notes to the Financial Statements

June 30, 2023

Note I - Summary of Significant Accounting Policies

A. Reporting Entity

The City of Warrenton, Oregon ("City") is a municipal corporation incorporated on February 11, 1899. The City operates under a council-city manager form of government. The governing body (City Commission) consists of five elected members who serve four-year terms. The City Manager administers policies and coordinates the activities of the City. The City Manager reports to, and is responsible to the City Commission. The heads of various departments, formed to provide various services, are under the direct supervision of the City Manager.

The City has the authority to levy taxes on property within the city for basic services and for payment of general obligation bonds. It has exercised that authority for several years.

Blended component unit. The Warrenton Urban Renewal Agency ("Agency") serves all citizens of the City and is governed by a Board comprised of members of the City Commission. The Agency was formed by the City to implement various public improvement programs in the revitalization plan of the City. Projects are funded through tax increment dollars. Separate financial statements for the Agency can be obtained from the City.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements display information about the reporting government as a whole. For the most part, the effect of interfund activity has been removed from these statements. These statements focus on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These aggregated statements consist of the statement of net position and the statement of activities.

The statement of activities demonstrates the degree to which the direct and allocated indirect expenses of a given function or program are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or program. *Indirect expenses* are those costs, usually administrative in nature, that support all City functions, programs, and enable direct services to be provided. *Program revenues* include 1) fees, fines, and charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated in a single column on these statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide and proprietary funds financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and *available*. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Except for leases receivable. The City records lease revenue on a cash basis Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

CITY OF WARRENTON

Notes to the Financial Statements

June 30, 2023

Note I - Summary of Significant Accounting Policies, Continued

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, Continued

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all of the financial operations of the City except those required to be accounted for in another fund. Principal sources of revenue are property taxes, licenses and permits, state and county shared revenues and charges for administrative services from other funds. Primary expenditures are for general government and police and fire protection.

The *State Tax Street Fund* accounts for funds provided by the Oregon State Department of Transportation and State Highway Trust Fund that are set aside for bicycle lanes, pedestrian paths, street maintenance and repair, and street lighting. The fund also accounts for the City fuel tax.

The *Grant Fund* accounts for grants received from a variety of sources.

Additionally, the City reports the following nonmajor funds within the governmental fund type:

Special revenue funds account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specific purposes.

Debt service funds account for the servicing of general long-term debt. Revenue sources are property taxes levied for general obligation bonds and other general governmental revenues.

Capital project funds account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by business-type or proprietary funds).

The City reports the following major proprietary funds:

The *Water Enterprise Fund* (a combination of the operating, system development, and capital reserve funds) accounts for the costs of operating the water system of the City and paying for its costs and renovation. User fees provide revenue.

The *Sewer Enterprise Fund* (a combination of the operating, system development, capital reserve, storm sewer, and storm sewer system development funds) accounts for the costs of operating the sewer and storm facilities. User fees provide the revenue.

The *Sanitation Enterprise Fund* (a combination of the operating and capital reserve funds) accounts for the costs of providing trash removal services. User fees provide the revenue.

Additionally, the City reports the *Engineering Internal Service Fund* to account for the cost of providing engineering services to other departments of the City. Internal user fees provide revenue to the fund.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's enterprise funds and various other functions of the City. The City allocates charges as reimbursement for services provided by the general fund in support of those functions based on levels of service provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. These charges are included in direct program expenses.

CITY OF WARRENTON

Notes to the Financial Statements

June 30, 2023

Note I - Summary of Significant Accounting Policies, Continued

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, Continued

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Significant operating expenses include personnel, contracted services, repairs and maintenance, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

1. Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and investments in the State of Oregon Local Government Investment Pool ("LGIP").

State statutes authorize the City to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, and repurchase agreements.

2. Receivables and Payables

Service and property taxes receivables that meet the measurable and available criteria for revenue recognition are accrued as revenue in the governmental funds financial statements. Receivables in the government-wide and proprietary fund financial statements are accrued as revenue when earned. In governmental funds, any revenues not meeting the revenue recognition criteria are offset by unavailable revenue accounts.

Special assessments receivable in the governmental funds and proprietary funds are recognized at the time the property owners are assessed for property improvements. In governmental funds special assessments receivable are offset by unavailable revenue accounts and, accordingly, have not been recognized as revenue.

Property taxes are levied and become a lien on July 1st. Property taxes are assessed in October and tax payments are due November 15th of the same year. Under the partial payment schedule, the first one-third of taxes are due November 15th of the same year, the second one-third on February 15th, and the remaining one-third on May 15th. A three percent discount is allowed if full payment is made by November 15th and a two percent discount is allowed if two-thirds payment is made by November 15th. Taxes become delinquent if not paid by the due date and interest accrues after each trimester at a rate of one percent per month. Property foreclosure proceedings are initiated four years after the due date.

Receivables for housing rehabilitation loans in the general fund are recognized at the time the loan is made. The loans receivable are offset by an unavailable revenue account and accordingly, have not been recognized as revenue in the governmental fund financial statements.

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

In the government-wide financial statements any residual balances outstanding between the governmental and business-type activities are reported as "internal balances."

CITY OF WARRENTON

Notes to the Financial Statements

June 30, 2023

Note I - Summary of Significant Accounting Policies, Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance, Continued

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted Cash

Cash whose use is restricted for construction, debt service or by other agreement are segregated on the government-wide statement and the proprietary funds statement of net position and the governmental funds balance sheet.

5. Capital Assets

Capital assets, which include land, right-of-way (included with land), buildings, improvements, equipment, infrastructure, and other tangible assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life beyond a single reporting period. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of the donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

No depreciation is taken in the year the assets are acquired. Gains or losses from sales or retirements of capital assets are included in operations of the current period.

Capital assets of the City are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Parking and land improvements	10 - 50
Buildings	10 - 50
Equipment and vehicles	5 - 40
Dike and flood control	20 - 40
Infrastructure	20 - 25
Utility facilities	5 - 40

6. Deferred Outflows/Inflows of Resources

In addition to assets, a separate section for deferred outflows of resources will sometimes be reported. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, a separate section for deferred inflows of resources will sometimes be reported. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

CITY OF WARRENTON

Notes to the Financial Statements

June 30, 2023

Note I - Summary of Significant Accounting Policies, Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance, Continued

7. *Compensated Absences*

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation payable and accrued comp-time are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The compensated absences liability is extinguished by the fund in which the liability is incurred.

8. *Leases*

Lessee: At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straightline basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with longterm debt on the statement of net position.

Lessor: The City is a lessor for several noncancellable leases of land and moorage space. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and proprietary fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term in a systematic and rational manner.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the

CITY OF WARRENTON

Notes to the Financial Statements

June 30, 2023

Note I - Summary of Significant Accounting Policies, Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance, Continued

8. Leases, Continued

measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

9. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the bonds-outstanding method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures in the year the debt is issued.

10. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

11. Net Position Flow Assumptions

Sometimes the City will fund outlays for a particular resource from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

12. Fund Balance Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

CITY OF WARRENTON

Notes to the Financial Statements

June 30, 2023

Note I - Summary of Significant Accounting Policies, Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance, Continued

13. Fund Balance Policies

In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The fund balance classifications are:

Nonspendable - resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories, prepaids and deposits, and assets held for sale.

Restricted - constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grants, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed - the City Commission passes an ordinance that places specific constraints on how the resources may be used. The City Commission can modify or rescind the ordinance at any time through passage of an additional ordinance.

Assigned - resources that are constrained by the City's intent to use them for a specific purpose, but are neither restricted, nor committed. Intent is expressed when the City Commission approves which resources should be "reserved" during the adoption of the annual budget.

Unassigned - resources that have not been restricted, committed, or assigned within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

14. Use of Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note II - Stewardship, Compliance, and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with Oregon Revised Statutes (ORS 294 - Local Budget Law).

A budget is prepared by the City Manager in the early winter preceding the fiscal year the budget will be used. The City is required to budget for all funds. The City's budget is prepared for each fund on the modified accrual basis of accounting. The budget committee, with public input, deliberates and approves the budget for transmittal to the City Commission in early spring. After public notices and a hearing, the final budget is adopted, appropriations made, and a tax levy declared no later than June 30.

The City Commission resolution adopting the budget and authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriation. The level of control for all City funds is by department, debt service, interfund transfers, and contingency. The level of control for the Warrenton Urban Renewal Agency funds is by materials and services, capital outlay, debt service, interfund transfers, and contingency. Appropriations lapse as of year-end.

CITY OF WARRENTON

Notes to the Financial Statements

June 30, 2023

Note II - Stewardship, Compliance, and Accountability, Continued

A. Budgetary Information, Continued

Expenditures cannot legally exceed appropriations except in the case of grants which could not be estimated at the time of budget adoption. Supplemental appropriations and appropriation transfers may occur with notice and City Commission action.

Note III - Detailed Notes On All Funds

A. Deposits and Investments

The City maintains a cash and investment pool for its cash and cash equivalents in which each fund participates. Cash and investments comprise the following:

Petty cash	\$	700
Deposits with financial institutions		1,654,330
State of Oregon Local Government Investment Pool		<u>33,928,639</u>
Total	\$	<u>35,583,669</u>

Cash and investments are reflected in the government-wide Statement of Net Position as follows:

Cash and cash equivalents	\$	35,520,657
Restricted cash		<u>63,012</u>
Total	\$	<u>35,583,669</u>

Deposits. All deposits not covered by FDIC insurance are covered by the Public Funds Collateralization Program ("PFCP") of the State of Oregon. The PFCP is a shared liability structure for participating bank depositories. Barring any exceptions, a bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter end public fund deposits if they are adequately capitalized, or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities.

The Oregon Local Government Investment Pool (LGIP) is an open-ended, no-load diversified portfolio offered to any municipality, political subdivision or public corporation of the State that by law is made the custodian of, or has control of, any public funds. The Office of the State Treasurer (OST) manages the LGIP. The LGIP is commingled with other State funds in the Oregon Short-Term Fund (OSTF). The OSTF is not managed as a stable net asset value fund; therefore, the preservation of principal is not assured. Additional information about the OSTF can be obtained at www.ost.state.or.us and www.oregon.gov/treasury.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. At June 30, 2023, the City's deposits were covered and collateralized by federal depository insurance and the PFCP.

Credit Risk - Investments. The City has no investment policy for credit risk, but in practice follows state statutes which authorize the City to invest primarily in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers acceptances, certain commercial papers and the State Treasurer's Investment Pool, among others. The LGIP is not rated by a national rating service.

Interest Rate Risk. The City does not have a formal investment policy that explicitly limits investment maturities as a means of managing its exposure to fair value loss arising from increasing interest rates. The weighted-average maturity of LGIP is less than one year.

CITY OF WARRENTON

Notes to the Financial Statements

June 30, 2023

Note III - Detailed Notes On All Funds, Continued

B. Receivables and Deferred Inflows of Resources

Housing rehabilitation loans

The City has lent money to qualifying property owners through a federally funded low-income housing rehabilitation program. The loans are non interest-bearing and become a lien against the property, payable upon sale of the property or death of the owner.

Unavailable revenues

At the end of the current fiscal year, the components of unavailable revenue reported in the governmental funds were as follows:

	<u>General Fund</u>	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Funds</u>	<u>Total</u>
Property taxes receivable	\$ 51,812	\$ 9,725	\$ 56,456	\$ 117,993
Rehabilitation loans	39,430	-	-	39,430
Total unavailable revenues	<u>\$ 91,242</u>	<u>\$ 9,725</u>	<u>\$ 56,456</u>	<u>\$ 157,423</u>

CITY OF WARRENTON

Notes to the Financial Statements

June 30, 2023

Note III - Detailed Notes On All Funds, Continued

C. Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 2,405,574	\$ -	\$ (200)	\$ -	\$ 2,405,374
Construction in progress	<u>481,702</u>	<u>1,114,316</u>	<u>(27,597)</u>	<u>-</u>	<u>1,568,421</u>
Total capital assets, not being depreciated	<u>2,887,276</u>	<u>1,114,316</u>	<u>(27,797)</u>	<u>-</u>	<u>3,973,795</u>
Capital assets, being depreciated:					
Parking and land improvements	1,699,793	-	(25,591)	-	1,674,202
Buildings	4,751,719	270,197	(563,537)	-	4,458,379
Equipment and vehicles	3,773,912	423,811	(217,999)	-	3,979,724
Infrastructure	<u>6,494,786</u>	<u>750,000</u>	<u>-</u>	<u>-</u>	<u>7,244,786</u>
Total capital assets, being depreciated	<u>16,720,210</u>	<u>1,444,008</u>	<u>(807,127)</u>	<u>-</u>	<u>17,357,091</u>
Less accumulated depreciation for:					
Parking and land improvements	(708,021)	(58,500)	16,637	-	(749,884)
Buildings	(1,991,362)	(102,042)	287,183	-	(1,806,221)
Equipment and vehicles	(2,077,356)	(169,181)	217,996	-	(2,028,541)
Infrastructure	<u>(2,530,054)</u>	<u>(214,906)</u>	<u>-</u>	<u>-</u>	<u>(2,744,960)</u>
Total accumulated depreciation	<u>(7,306,793)</u>	<u>(544,629)</u>	<u>521,816</u>	<u>-</u>	<u>(7,329,606)</u>
Total capital assets, being depreciated, net	<u>9,413,417</u>	<u>899,379</u>	<u>(285,311)</u>	<u>-</u>	<u>10,027,485</u>
Governmental activities capital assets, net	<u>\$ 12,300,693</u>	<u>\$ 2,013,695</u>	<u>\$ (313,108)</u>	<u>\$ -</u>	<u>\$ 14,001,280</u>

CITY OF WARRENTON

Notes to the Financial Statements

June 30, 2023

Note III - Detailed Notes On All Funds, Continued

C. Capital Assets, Continued

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 422,041	\$ -	\$ -	\$ -	\$ 422,041
Construction in progress	<u>538,593</u>	<u>1,636,480</u>	<u>-</u>	<u>-</u>	<u>2,175,073</u>
Total capital assets, not being depreciated	<u>960,634</u>	<u>1,636,480</u>	<u>-</u>	<u>-</u>	<u>2,597,114</u>
Capital assets, being depreciated:					
Parking areas	1,515,321	-	-	-	1,515,321
Buildings	2,897,024	-	-	-	2,897,024
Equipment and vehicles	5,322,397	55,182	(232,996)	-	5,144,583
Utility facilities	<u>44,521,401</u>	<u>48,650</u>	<u>(49,509)</u>	<u>-</u>	<u>44,520,542</u>
Total capital assets, being depreciated	<u>54,256,143</u>	<u>103,832</u>	<u>(282,505)</u>	<u>-</u>	<u>54,077,470</u>
Less accumulated depreciation for:					
Parking areas	(264,755)	(107,317)	-	-	(372,072)
Buildings	(1,423,029)	(75,110)	-	-	(1,498,139)
Equipment and vehicles	(4,648,015)	(108,600)	232,996	-	(4,523,619)
Utility facilities	<u>(23,813,262)</u>	<u>(1,341,197)</u>	<u>49,509</u>	<u>-</u>	<u>(25,104,950)</u>
Total accumulated depreciation	<u>(30,149,061)</u>	<u>(1,632,224)</u>	<u>282,505</u>	<u>-</u>	<u>(31,498,780)</u>
Total capital assets, being depreciated, net	<u>24,107,082</u>	<u>(1,528,392)</u>	<u>-</u>	<u>-</u>	<u>22,578,690</u>
Business-type activities capital assets, net	<u>\$ 25,067,716</u>	<u>\$ 108,088</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,175,804</u>

CITY OF WARRENTON

Notes to the Financial Statements

June 30, 2023

Note III - Detailed Notes On All Funds, Continued

C. Capital Assets, Continued

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 62,657
Fire and emergency medical services	100,063
Police	148,816
Planning and development	5,897
Library and culture	41,363
Public works	<u>185,833</u>
Total depreciation expense - governmental activities	<u>\$ 544,629</u>
Business-type activities:	
Water utilities	\$ 633,502
Sewer utilities	767,667
Sanitation utilities	74,358
Marinas	<u>156,697</u>
Total depreciation expense - business-type activities	<u>\$ 1,632,224</u>

D. Interfund Receivables, Payables, and Transfers

During the year ended June 30, 2023 the general fund transferred \$601,654 to nonmajor governmental funds and \$41,626 to enterprise funds. Interfund transfers were used to provide funds for contribute towards the cost of capital projects, and to provide operational resources.

During the year ended June 30, 2023 \$998,628 was transferred within nonmajor governmental funds for debt capital expenditures.

E. Leases

Leases Receivable

The City has one lease receivable for land leased by a wood fiber processing company. This lease began October 1995, and continues through December 31, 2035. This lease balance at June 30, 2023 was \$1,740,629. Lease payments during the year were \$89,789 and \$137,203 in principal and interest respectively.

The City has several leases receivable for land in the nonmajor enterprise funds. These leases began at various times and end at various times. These leases had a balance of \$46,614 at June 30, 2023. Lease payments during the year were \$125,374 and \$6,428 in principal and interest respectively.

CITY OF WARRENTON

Notes to the Financial Statements

June 30, 2023

Note III - Detailed Notes On All Funds, Continued

F. Long-Term Debt

Long-term liability activity for the year ended June 30, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
General obligation bonds payable	\$ 2,307,397	\$ -	\$ (486,895)	\$ 1,820,502	\$ 501,315
Direct Borrowings:					
Tax increment financial bonds	1,804,925	-	(305,017)	1,499,908	312,986
Notes/loans payable	<u>269,242</u>	<u>-</u>	<u>(64,579)</u>	<u>204,663</u>	<u>66,367</u>
Total long-term debt	4,381,564	-	(856,491)	3,525,073	880,668
Net pension liability	2,116,930	806,680	-	2,923,610	-
Compensated absences	<u>123,046</u>	<u>133,724</u>	<u>(123,046)</u>	<u>133,724</u>	<u>133,724</u>
Governmental activities long-term liabilities	<u>\$ 6,621,540</u>	<u>\$ 940,404</u>	<u>\$ (979,537)</u>	<u>\$ 6,582,407</u>	<u>\$ 1,014,392</u>
Business-Type Activities:					
Loans payable - direct borrowings	\$ 5,027,222	\$ -	\$ (591,873)	\$ 4,435,349	\$ 613,238
Landfill postclosure care (see note IV.D.)	<u>310,820</u>	<u>72,883</u>	<u>(11,650)</u>	<u>372,053</u>	<u>11,650</u>
Total noncurrent liabilities	5,338,042	72,883	(603,523)	4,807,402	624,888
Net pension liability	1,443,328	237,898	-	1,681,226	-
Compensated absences	<u>125,275</u>	<u>120,869</u>	<u>(125,275)</u>	<u>120,869</u>	<u>120,869</u>
Business-type activities long-term liabilities	<u>\$ 6,906,645</u>	<u>\$ 431,650</u>	<u>\$ (728,798)</u>	<u>\$ 6,609,497</u>	<u>\$ 745,757</u>

General obligation bonds outstanding at June 30, 2023 were as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Governmental Activities</u>
The general obligation bonds series 2007 in the original amount of \$8,079,696 were facilities bonds. The bonds were authorized by taxpayers in November 2006 to finance improvements to the wastewater treatment and disposal system of the City. These general obligation bonds are direct obligations and pledge the full faith and credit of the City. The Wastewater Treatment GO Bond fund is used to liquidate these bonds. Final maturity of these 20-year bonds is December 1, 2026.	2.94% plus 0.5% annual fee	<u>\$ 1,820,502</u>
Total general obligation bonds outstanding		1,820,502
Less current portion		<u>(501,315)</u>
Long-term portion		<u>\$ 1,319,187</u>

CITY OF WARRENTON

Notes to the Financial Statements

June 30, 2023

Note III - Detailed Notes On All Funds, Continued

F. Long-Term Debt, Continued

Tax increment financial bonds outstanding at June 30, 2023 were as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Governmental Activities</u>
The urban renewal bond series 2012, in the original amount of \$1,640,000, was used to finance urban renewal projects. This tax increment financing is secured by assignment of incremental tax revenues. The Warrenton Urban Renewal Agency Debt Service fund is used to liquidate these bonds. The bond matures on June 15, 2027.	3.75%	\$ 529,219
The urban renewal bond series 2016, in the original amount of \$2,200,000, was used to finance urban renewal projects. This tax increment financing is secured by assignment of incremental tax revenues. The Warrenton Urban Renewal Agency Debt Service fund is used to liquidate these bonds. The bond matures on June 1, 2028.	1.86%	<u>970,689</u>
Total debt outstanding		1,499,908
Less current portion		<u>(312,986)</u>
Long-term portion		<u>\$ 1,186,922</u>

If an event of default occurs on any of the direct borrowings Columbia Bank (Bank) may exercise any remedy available at law or in equity under the provisions of the Master Resolution. If an event of default occurs due to nonpayment of principal, interest, fees or other amounts when due, or failure to maintain the tax-exempt status of the obligation, then the Bank may increase the interest rate to 8.75% on the series 2012 bonds or 5% on the series 2016 bonds.

Notes/loans outstanding at June 30, 2023 were as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
The Full Faith and Credit Note, Series 2015, in the original amount of \$621,771, was used as a deposit on the purchase of an aerial fire truck that was purchased in FY2017. The General fund is used to liquidate this note. The loan is secured by Warrenton Fiber Revenues and matures on December 29, 2025. If an event of default occurs, the interest rate on the note shall be equal to the 10-year US Treasury rate plus 2%.	2.7690%	\$ 204,663	\$ -
The Oregon Economic Development Department loan G99001A Bond in the original amount of \$3,165,000 was used in the water enterprise for equipment and facilities. The loan matures on December 1, 2023 and is secured by water facilities.	5.16%	-	215,997
The Oregon Economic Development Department loan G99001B in the original amount of \$300,000 was used in the water enterprise for equipment and facilities. The loan matures on December 1, 2024 and is secured by water facilities.	5.16%	-	76,407

CITY OF WARRENTON

Notes to the Financial Statements

June 30, 2023

Note III - Detailed Notes On All Funds, Continued

F. Long-Term Debt, Continued

<u>Purpose</u>	<u>Interest Rates</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
The Oregon Economic Development Department loan S02011 in the original amount of \$2,657,000 was used in the water enterprise for equipment and facilities. The loan matures on December 1, 2031 and is secured by water facilities.	1.0%	\$ -	\$ 881,906
The Oregon Infrastructure Finance Authority loan SZ9012 was issued in the original amount up to \$5,399,048 and was used in the design and construction of a new covered-water reservoir. \$2,699,524 of the loan was forgiven upon completion of the project and was recognized as a capital contribution in 2013. The loan matures on December 1, 2033 and is secured by the net revenues of the water fund.	3.0%	-	1,523,250
The Oregon Infrastructure Finance Authority loan S17016 was issued in the original amount up to \$1,100,000 and was used to replace manual-read water meters with radio-read water meters. \$629,708 of the loan was forgiven upon completion of the project and was recognized as a capital contribution in 2019. The loan matures on December 1, 2037 and is secured by the net revenues of the water fund.	1.0%	-	323,920
The Oregon Economic Development Department loan Y04001 in the original amount of \$506,000 was used in the sewer enterprise for equipment and facilities. The loan matures on December 1, 2024 and is secured by sewer and general revenues.	4.62%	-	73,480
The Oregon Department of Environmental Quality loan R94942 in the original amount of \$1,200,000 was used in the sewer enterprise for biosolids removal. The loan matures on June 1, 2025 and is secured by sewer revenues.	2.91% plus 0.5% annual fee	-	132,658
The Oregon Department of Environmental Quality loan R94945 was issued in the original amount up to \$1,920,304 and was used to make upgrades to the wastewater treatment plant. DEQ forgave \$500,000 of the loan during the year ended June 30, 2018. The loan matures on February 1, 2048 and is secured by sewer revenues.	1.45% plus 0.5% annual fee	-	1,192,256
The Oregon Infrastructure Finance Authority loan V16013 was issued in the original amount up to \$35,000 and was used to complete an inflow and infiltration reduction study for the wastewater system. The loan matures on December 1, 2025 and the City pledges its full faith and credit.	1.69%	-	15,475
Total notes/loans outstanding		204,663	4,435,349
Less current portion		<u>(66,367)</u>	<u>(613,238)</u>
Long-term portion		<u>\$ 138,296</u>	<u>\$ 3,822,111</u>

CITY OF WARRENTON

Notes to the Financial Statements

June 30, 2023

Note III - Detailed Notes On All Funds, Continued

F. Long-Term Debt, Continued

Loan covenants require the City to establish reserves as follows:

	<u>Business- Type Activities</u>
Oregon Department of Environmental Quality:	
Loan R94942	\$ 34,553
Loan R94945	28,459
Total	<u>\$ 63,012</u>

The reserves are reported as restricted cash on the statement of net position.

Upon the event of default on loans with the Oregon Economic Development Department or Oregon Infrastructure Finance Authority, the State may pursue any or all of the remedies set forth in the agreement or available at law or in equity. Such remedies may include, but are not limited to, termination of the contract, acceleration of the contract, return of the grant/loan funds, payment of amounts earned from the investment of the proceeds of the loan, declaration of the City's ineligibility to receive future lottery funded awards, withholding pursuant to ORS 285B.599, ORS 285A.213(6), or OAR 123-049-0040 of other State funds due to the Borrower, foreclosing liens or security interest and exercising any remedy listed in OAR 123-049-0040.

Annual debt service requirements to maturity for long-term debt at June 30, 2023 are as follows:

Year Ending	<u>Governmental Activities</u>				<u>Business-Type Activities</u>	
	<u>GO Bonds</u>		<u>Direct Borrowings</u>		<u>Direct Borrowings</u>	
	Principal	Interest	Principal	Interest	Principal	Interest
June 30,						
2024	\$ 501,315	\$ 57,723	\$ 379,352	\$ 42,698	\$ 613,238	\$ 103,590
2025	516,162	40,333	389,392	32,659	407,103	81,853
2026	531,449	22,427	399,723	22,326	308,684	71,803
2027	271,576	3,992	338,324	11,693	310,018	64,951
2028	-	-	197,780	2,743	295,134	57,996
2029 - 2033	-	-	-	-	1,462,921	196,528
2034 - 2038	-	-	-	-	509,184	72,291
2039 - 2043	-	-	-	-	254,980	40,228
2044 - 2048	-	-	-	-	274,087	14,517
Total	<u>\$ 1,820,502</u>	<u>\$ 124,475</u>	<u>\$ 1,704,571</u>	<u>\$ 112,119</u>	<u>\$ 4,435,349</u>	<u>\$ 703,757</u>

G. Pension Plans

Employees of the City are provided with pensions through the Oregon Public Employees Retirement System (OPERS) a cost-sharing multiple-employer defined benefit pension plan. The Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manage the system. All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A. Tier One/Tier Two Retirement Benefit plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003. The Pension Program, established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003. OPERS issues a publicly available Comprehensive Annual Financial Report and Actuarial Valuation that can be obtained at:

<https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

CITY OF WARRENTON

Notes to the Financial Statements

June 30, 2023

Note III - Detailed Notes On All Funds, Continued

G. Pension Plans, Continued

Benefits Provided

1. Tier One/Tier Two Retirement Benefit (ORS Chapter 238)

Pension Benefits

The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

Death Benefits

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- the member was employed by a PERS employer at the time of death,
- the member died within 120 days after termination of PERS-covered employment,
- the member died as a result of injury sustained while employed in a PERS-covered job, or
- the member was on an official leave of absence from a PERS-covered job at the time of death.

Disability Benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

Benefit Changes

After retirement, members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA for creditable service earned before October 2013 is 2.0 percent. The COLA for creditable service after October 2013 is calculated at 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

CITY OF WARRENTON

Notes to the Financial Statements

June 30, 2023

Note III - Detailed Notes On All Funds, Continued

G. Pension Plans, Continued

2. OPSRP Pension Program (OPSRP DB)

Pension Benefits.

The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

Police and Fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

Death Benefits

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

Disability Benefits

A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit Changes After Retirement

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA for creditable service earned before October 2013 is 2.0 percent. The COLA for creditable service after October 2013 is calculated at 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

CITY OF WARRENTON

Notes to the Financial Statements

June 30, 2023

Note III - Detailed Notes On All Funds, Continued

G. Pension Plans, Continued

3. OPSRP Individual Account Program (OPSRP IAP)

Pension Benefits

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death Benefits

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Recordkeeping

OPERS contracts with VOYA Financial to maintain IAP participant records.

Contributions:

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2021. Employer contributions for the year ended June 30, 2023 were \$739,342 excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2023 were 25.72 percent for Tier One/Tier Two General Service Members, 25.72 percent for Tier One/Tier Two Police and Fire, 20.03 percent for OPSRP Pension Program General Services, 24.39 percent for OPSRP Police and Fire members and 6 percent for OPSRP Individual Account Program.

Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2023 the City reported a liability of \$4,604,836 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020 rolled forward to June 30, 2022. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2022, the City's proportion was 0.03007337 percent, which was changed from its proportion measured as of June 30, 2021 of 0.02975192 percent.

CITY OF WARRENTON

Notes to the Financial Statements

June 30, 2023

Note III - Detailed Notes On All Funds, Continued

G. Pension Plans, Continued

For the year ended June 30, 2023 the City recognized pension expense of \$545,910. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 223,528	\$ 28,717
Change in assumptions	722,524	6,601
Net difference between projected and actual earnings on pension plan investments	-	823,256
Changes in proportionate share	295,365	368,572
Differences between City contributions and proportionate share of contributions	20,470	477,565
Subtotal before post-measurement date contributions	1,261,887	1,704,711
City contributions subsequent to the measurement date	696,008	-
Total	\$ 1,957,895	\$ 1,704,711

Deferred outflows of resources related to pensions of \$696,008 resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Net deferred outflows (inflows) of resources of \$442,824 will be recognized in pension expense as follows:

Year Ended June 30,			
2024	\$	(64,073)	
2025		(152,851)	
2026		(473,943)	
2027		280,172	
2028		(32,129)	
Total	\$	(442,824)	

CITY OF WARRENTON

Notes to the Financial Statements

June 30, 2023

Note III - Detailed Notes On All Funds, Continued

G. Pension Plans, Continued

Actuarial Methods and Assumptions:

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2020
Measurement Date	June 30, 2022
Experience Study Report	2020, published July 21, 2021
Actuarial Cost Method	Entry Age normal
Actuarial Assumptions:	
Inflation Rate	2.40 percent
Long-Term Expected Rate of Return	6.90 percent
Discount Rate	6.90 percent
Project Salary Increases	3.40% overall payroll growth; salaries for individuals are assumed to grow at 3.40% plus assumed rates of merit/longevity increases based on service Mortality Healthy retirees and beneficiaries:
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and Graded COLA (1.25%/0.015%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Date Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active Members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disabled retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2020 Experience Study which reviewed experience for the four-year period ending on December 31, 2020.

CITY OF WARRENTON

Notes to the Financial Statements

June 30, 2023

Note III - Detailed Notes On All Funds, Continued

G. Pension Plans, Continued

Long-term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS' audited financial statements at:

<https://www.oregon.gov/pers/pages/financials/actuarial-financial-information.aspx>

Depletion Date Projection

GASB 68 generally requires that a blended discount rate be used to measure the total pension liability (the actuarial accrued liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's fiduciary net position is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the fiduciary net position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for PERS:

- PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is PERS' independent actuary's opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses.

Discount Rate

The discount rate used to measure the total pension liability of the Plan was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF WARRENTON

Notes to the Financial Statements

June 30, 2023

Note III - Detailed Notes On All Funds, Continued

G. Pension Plans, Continued

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	<u>1% Decrease (5.90%)</u>	<u>Discount Rate (6.90%)</u>	<u>1% Increase (7.90%)</u>
Proportionate Share of Net Pension Liability	\$ 8,166,279	\$ 4,604,836	\$ 1,624,073

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report.

Note IV - Other Information

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. In 1981, the League of Oregon Cities joined together with the Association of Oregon Cities to form City County Insurance Services ("CCIS"), a public entity risk pool currently operating a common risk management and insurance program. The City pays an annual premium to CCIS for insurance coverage. Based on the experience of the City and CCIS, the City may be liable for an additional premium of up to 20% of its initial premium or it may receive a refund. The City has not had to pay an additional premium. Predetermined limits and deductible amounts are stated in the policy. Settled claims have not exceeded commercial insurance coverage in any of the past three years.

B. Contingencies Under Grant Provisions

Under terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under terms of the grants. Such audits could lead to reimbursement to the grantor agencies. The City believes disallowances, if any, will be immaterial.

C. Contingent Liabilities

The City is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations and capital projects. Management intends to contest these matters and does not believe their ultimate resolution will have a material effect upon the City's financial position, results of operations, or cash flows.

CITY OF WARRENTON

Notes to the Financial Statements

June 30, 2023

Note IV - Other Information, Continued

D. Postclosure Landfill Care

The Municipal Solid Waste Landfill ("MSWLF") ceased accepting solid waste in the fall of 1985 and final cover was applied subsequently in conformity with state regulations. The landfill closure permit for the MSWLF was renewed by the Oregon Department of Environmental Quality on February 20, 1997. State and federal laws and regulations require the City to perform certain maintenance and monitoring functions at the site.

The City has recorded a liability for the estimated costs of landfill postclosure care. Annually, the City evaluates the liability by examining the estimated costs needed to perform the postclosure care over the next 20 years and adjusts the liability accordingly. During the year ended June 30, 2023 the City's estimated liability changed as follows:

	<u>Landfill postclosure care liability</u>
Balance at June 30, 2022	\$ 310,820
Change in estimate	72,883
Maintenance costs paid in 2023	<u>(11,650)</u>
Balance at June 30, 2023	<u>\$ 372,053</u>

All current year changes in the liability are included in contracted services in the Sanitation Enterprise Fund. The estimated future costs to maintain and monitor the landfill may change due to one or more of the following factors: inflation, deflation, changes in technology or changes to applicable laws or regulations.

E. Prior Period Adjustment

In Fiscal Year 2022, the City implemented new accounting policies required under GASB 87. At the time of implementation, the deferred inflow related to the lease receivable amount did not reflect amortization of the lease asset from inception to date. The table below adjusts net position as of June 30, 2022 to account for these changes.

<u>Opinion Unit</u>	<u>Beginning Net Position</u>	<u>Adjust lease deferred inflow of resource</u>	<u>Restated Net Position</u>
Governmental Activities	\$ 16,416,265	\$ 1,313,925	\$ 17,730,190



REQUIRED SUPPLEMENTARY INFORMATION



CITY OF WARRENTON

Required Supplementary Information

June 30, 2023

Schedule of the Proportionate Share of the Net Pension Liability

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability (asset)	0.03007337 %	0.02975192 %	0.03270945 %	0.02871178 %	0.03023090 %	0.03216011 %	0.03340720 %	0.03518114 %	0.03043630 %	0.03043630 %
Proportionate share of the net pension liability (asset)	\$ 4,604,836	\$ 3,560,258	\$ 7,138,327	\$ 4,966,450	\$ 4,579,583	\$ 4,335,195	\$ 5,015,196	\$ 2,019,912	\$ (689,903)	\$ 1,553,209
Covered payroll	\$ 3,496,251	\$ 3,342,216	\$ 3,397,193	\$ 3,370,391	\$ 3,172,039	\$ 3,074,084	\$ 3,036,331	\$ 2,744,201	\$ 2,594,589	\$ 2,468,918
Proportionate share of the pension liability (asset) as a percentage of its covered employee payroll	131.71 %	106.52 %	210.12 %	147.36 %	144.37 %	141.02 %	165.17 %	73.61 %	(26.59)%	62.91 %
Plan net position as a percentage of the total pension liability	84.5 %	87.6 %	75.8 %	80.2 %	82.1 %	83.1 %	80.5 %	91.9 %	103.6 %	92.0 %

Schedule of Pension Contributions

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 739,342	\$ 859,769	\$ 814,318	\$ 856,834	\$ 728,293	\$ 650,268	\$ 557,802	\$ 545,611	\$ 475,054	\$ 448,503
Contributions in relation to the contractually required contribution	<u>739,342</u>	<u>859,769</u>	<u>814,318</u>	<u>856,834</u>	<u>728,293</u>	<u>650,268</u>	<u>557,802</u>	<u>545,611</u>	<u>475,054</u>	<u>448,503</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 3,655,695	\$ 3,496,251	\$ 3,342,216	\$ 3,397,193	\$ 3,370,391	\$ 3,172,039	\$ 3,074,084	\$ 3,036,331	\$ 2,744,201	\$ 2,594,589
Contributions as a percentage of covered employee payroll	20.22 %	24.59 %	24.36 %	25.22 %	21.61 %	20.50 %	18.15 %	17.97 %	17.31 %	17.29 %

CITY OF WARRENTON

Notes to Required Supplementary Information

June 30, 2023

Note I - Measurement Period

Amounts presented are for the measurement period, which for FY 2023 is July 1, 2021 - June 30, 2022. 10-year trend information required by GASB Statement 68 will be presented prospectively.

Note II - Changes in Benefit Terms

The 2013 Oregon Legislature made a series of changes to PERS that lowered projected future benefit payments from the System. These changes included reductions to future Cost of Living Adjustments (COLA) made through Senate Bills 822 and 861. Senate Bill 822 also required the contribution rates scheduled to be in effect from July 2013 to June 2015 to be reduced. The Oregon Supreme Court decision in *Moro v. State of Oregon*, issued on April 30, 2015, reversed a significant portion of the reductions the 2013 Oregon Legislature made to future System Cost of Living Adjustments (COLA) through Senate Bills 822 and 861. This reversal increased the total pension liability as of June 30, 2015 compared to June 30, 2014 total pension liability.

Note III - Changes in Assumptions

The PERS Board adopted assumption changes that were used to measure the June 30, 2016 total pension liability, which contributes to the net pension liability reported by the City for fiscal year 2017. The changes include the lowering of the long-term expected rate of return to 7.50 percent and lowering the assumed inflation to 2.50 percent. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave, and vacation pay.

The June 30, 2018 total pension liability includes the effect of PERS Board adopting a change to the long-term expected rate of return, reducing it from 7.50 to 7.20 percent. This contributes to the net pension liability reported by the City for fiscal year 2019.

The June 30, 2021 total pension liability includes the effect of the PERS Board adopting a change to the long-term expected rate of return, reducing it from 7.20 percent to 6.90 percent. This contributes to the net pension liability reported by the City for fiscal year 2022.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES



CITY OF WARRENTON

Nonmajor Governmental Funds

Combining Balance Sheet

June 30, 2023

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
ASSETS				
Cash and cash equivalents	\$ 1,199,654	\$ 2,738,372	\$ 2,323,395	\$ 6,261,421
Receivables:				
Taxes	13,771	80,696	-	94,467
Accounts	90,847	-	-	90,847
Prepaid items	763	-	-	763
Total assets	<u>\$ 1,305,035</u>	<u>\$ 2,819,068</u>	<u>\$ 2,323,395</u>	<u>\$ 6,447,498</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 108,107	\$ -	\$ 108,359	\$ 216,466
Deferred revenue	1,853	-	-	1,853
Total liabilities	<u>109,960</u>	<u>-</u>	<u>108,359</u>	<u>218,319</u>
Deferred Inflows of Resources:				
Unavailable revenue - Property Taxes	9,725	56,456	-	66,181
Fund Balances:				
Nonspendable - Prepaid items	763	-	-	763
Restricted for:				
Debt service	-	2,762,612	-	2,762,612
Library and culture	209,529	-	-	209,529
Public works	245,666	-	-	245,666
Urban renewal improvements	-	-	7,970	7,970
Building inspection program	579,592	-	-	579,592
System development	-	-	1,534,730	1,534,730
Committed to:				
Library and culture	149,800	-	-	149,800
Assigned to:				
Capital projects	-	-	672,336	672,336
Total fund balances	<u>1,185,350</u>	<u>2,762,612</u>	<u>2,215,036</u>	<u>6,162,998</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,305,035</u>	<u>\$ 2,819,068</u>	<u>\$ 2,323,395</u>	<u>\$ 6,447,498</u>

CITY OF WARRENTON

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended June 30, 2023

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
Revenues:				
Taxes	\$ 560,709	\$ 1,411,976	\$ -	\$ 1,972,685
Licenses and permits	332,869	-	-	332,869
Intergovernmental	263	-	-	263
Charges for services	30,061	-	-	30,061
Fines and forfeits	269	-	-	269
Investment earnings	34,755	104,313	63,168	202,236
Donations	71,260	-	-	71,260
Other revenue	4,002	-	25,971	29,973
Total revenues	<u>1,034,188</u>	<u>1,516,289</u>	<u>89,139</u>	<u>2,639,616</u>
Expenditures:				
Current:				
General government	305,715	-	93,737	399,452
Planning and development	424,425	-	-	424,425
Library and culture	296,679	-	-	296,679
Public works	20,411	-	-	20,411
Debt service:				
Principal retirement	-	791,912	-	791,912
Interest expense	-	119,613	-	119,613
Capital outlay	4,719	-	1,487,898	1,492,617
Total expenditures	<u>1,051,949</u>	<u>911,525</u>	<u>1,581,635</u>	<u>3,545,109</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(17,761)</u>	<u>604,764</u>	<u>(1,492,496)</u>	<u>(905,493)</u>
Other Financing Sources (Uses):				
Transfers in	-	-	1,597,282	1,597,282
Transfers out	(8,000)	(990,628)	-	(998,628)
Capital contributions	-	-	89,712	89,712
Total other financing sources (uses)	<u>(8,000)</u>	<u>(990,628)</u>	<u>1,686,994</u>	<u>688,366</u>
Net change in fund balances	(25,761)	(385,864)	194,498	(217,127)
Fund Balances:				
Beginning of year	1,211,111	3,148,476	2,020,538	6,380,125
End of year	<u>\$ 1,185,350</u>	<u>\$ 2,762,612</u>	<u>\$ 2,215,036</u>	<u>\$ 6,162,998</u>

NONMAJOR SPECIAL REVENUES FUNDS

Special Revenue Funds account for revenues derived from specific tax or other earmarked revenue sources, including federal and state grant awards, which are restricted to finance particular functions or activities. Funds included in this fund category are:

Community Center - Accounts for the operational activities of the Community Center.

Warrenton Business License - Accounts for revenues from the sale of business licenses. The goal of the WBL fund is to enhance the economy and livability within the City by providing funds for programs and projects such as nuisance abatement, beautification of the City, grants to Main Street programs for funding events, festivals and projects, assisting with public safety programs and equipment purchases, and other similar tasks and projects as recommended and approved by City Commission.

Library - Accounts for the operational activity of the library.

Building Department - Accounts for the activities of the Building Division, which is responsible for the enforcement of building, plumbing, mechanical, fire and life safety codes of the State of Oregon.

Transient Room Tax - Accounts for transient room tax to be expended on police, first response medical assistance and infrastructure usage by tourists and other short term visitors, as well as to provide funds for tourist promotion.

Quincy Robinson Park Trust - Accounts for the establishment and maintenance of public parks.

CITY OF WARRENTON

Nonmajor Special Revenues Funds

Combining Balance Sheet

June 30, 2023

	<u>Community Center (005)</u>	<u>Warrenton Business License (006)</u>	<u>Library (020)</u>	<u>Building Department (021)</u>
ASSETS				
Cash and cash equivalents	\$ 39,888	\$ 114,751	\$ 208,827	\$ 587,697
Receivables:				
Taxes	-	-	13,771	-
Accounts	-	-	-	-
Prepaid items	-	-	763	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 39,888</u>	<u>\$ 114,751</u>	<u>\$ 223,361</u>	<u>\$ 587,697</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 2,803	\$ 183	\$ 3,344	\$ 8,105
Unearned revenue	1,853	-	-	-
Total liabilities	<u>4,656</u>	<u>183</u>	<u>3,344</u>	<u>8,105</u>
Deferred Inflows of Resources:				
Unavailable revenue - Property Taxes	-	-	9,725	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund Balances:				
Nonspendable - Prepaid items	-	-	763	-
Restricted for:				
Library and culture	-	-	209,529	-
Public works	-	-	-	-
Building inspection program	-	-	-	579,592
Committed to:				
Library and culture	35,232	114,568	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>35,232</u>	<u>114,568</u>	<u>210,292</u>	<u>579,592</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 39,888</u>	<u>\$ 114,751</u>	<u>\$ 223,361</u>	<u>\$ 587,697</u>

Transient Room Tax (024)	Quincy Robinson Park Trust (065)	Total Nonmajor Special Revenues Funds
\$ 2,825	\$ 245,666	\$ 1,199,654
-	-	13,771
90,847	-	90,847
-	-	763
<u>\$ 93,672</u>	<u>\$ 245,666</u>	<u>\$ 1,305,035</u>
\$ 93,672	\$ -	\$ 108,107
-	-	1,853
<u>93,672</u>	<u>-</u>	<u>109,960</u>
-	-	9,725
-	-	763
-	-	209,529
-	245,666	245,666
-	-	579,592
-	-	149,800
<u>-</u>	<u>245,666</u>	<u>1,185,350</u>
<u>\$ 93,672</u>	<u>\$ 245,666</u>	<u>\$ 1,305,035</u>

CITY OF WARRENTON

Nonmajor Special Revenues Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended June 30, 2023

	<u>Community Center (005)</u>	<u>Warrenton Business License (006)</u>	<u>Library (020)</u>	<u>Building Department (021)</u>
Revenues:				
Taxes	\$ -	\$ -	\$ 254,994	\$ -
Licenses and permits	-	84,578	-	248,291
Intergovernmental	-	-	-	263
Charges for services	30,061	-	-	-
Fines and forfeits	-	-	269	-
Investment earnings	1,058	3,140	5,686	18,900
Donations	9,703	-	18,596	-
Other revenue	11	35	3,594	362
Total revenues	<u>40,833</u>	<u>87,753</u>	<u>283,139</u>	<u>267,816</u>
Expenditures:				
Current:				
General government	-	-	-	-
Planning and development	-	-	-	424,425
Library and culture	22,319	39,116	235,244	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>22,319</u>	<u>39,116</u>	<u>235,244</u>	<u>424,425</u>
Excess (deficiency) of revenues over (under) expenditures	18,514	48,637	47,895	(156,609)
Other Financing Sources (Uses):				
Transfers out	<u>(5,000)</u>	<u>(3,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	13,514	45,637	47,895	(156,609)
Fund Balances:				
Beginning of year	<u>21,718</u>	<u>68,931</u>	<u>162,397</u>	<u>736,201</u>
End of year	<u>\$ 35,232</u>	<u>\$ 114,568</u>	<u>\$ 210,292</u>	<u>\$ 579,592</u>

Transient Room Tax (024)	Quincy Robinson Park Trust (065)	Total Nonmajor Special Revenues Funds
\$ 305,715	\$ -	\$ 560,709
-	-	332,869
-	-	263
-	-	30,061
-	-	269
-	5,971	34,755
-	42,961	71,260
-	-	4,002
<u>305,715</u>	<u>48,932</u>	<u>1,034,188</u>
305,715	-	305,715
-	-	424,425
-	-	296,679
-	20,411	20,411
-	4,719	4,719
<u>305,715</u>	<u>25,130</u>	<u>1,051,949</u>
-	23,802	(17,761)
-	-	(8,000)
-	23,802	(25,761)
-	221,864	1,211,111
<u>\$ -</u>	<u>\$ 245,666</u>	<u>\$ 1,185,350</u>

CITY OF WARRENTON

Community Center Fund

Schedule of Resources and Requirements
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance
Resources:				
Beginning fund balance	\$ 18,500	\$ 18,500	\$ 21,718	\$ 3,218
Charges for services	14,400	14,400	30,061	15,661
Investment earnings	200	200	1,058	858
Donations	4,200	4,200	9,703	5,503
Other revenue	-	-	11	11
	<u>37,300</u>	<u>37,300</u>	<u>62,551</u>	<u>25,251</u>
Total resources	<u>\$ 37,300</u>	<u>\$ 37,300</u>	<u>\$ 62,551</u>	<u>\$ 25,251</u>
Requirements:				
Community Center:				
Personal services	\$ 8,022	\$ 8,022	\$ 6,480	\$ 1,542
Materials and services	16,074	16,074	15,839	235
Total department expenditures	24,096	24,096	22,319	1,777
Contingency	2,000	2,000	-	2,000
Transfers out	5,000	5,000	5,000	-
Total expenditures	31,096	31,096	27,319	3,777
Ending fund balance	6,204	6,204	35,232	(29,028)
Total requirements	<u>\$ 37,300</u>	<u>\$ 37,300</u>	<u>\$ 62,551</u>	<u>\$ (25,251)</u>

CITY OF WARRENTON

Warrenton Business License Fund

Schedule of Resources and Requirements
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 59,000	\$ 59,000	\$ 68,931	\$ 9,931
Licenses and permits	61,000	61,000	84,578	23,578
Investment earnings	350	350	3,140	2,790
Other revenue	<u>-</u>	<u>-</u>	<u>35</u>	<u>35</u>
Total resources	<u>\$ 120,350</u>	<u>\$ 120,350</u>	<u>\$ 156,684</u>	<u>\$ 36,334</u>
Requirements:				
WBL Program:				
Personal services	\$ 4,526	\$ 4,526	\$ 3,540	\$ 986
Materials and services	<u>58,781</u>	<u>58,781</u>	<u>35,576</u>	<u>23,205</u>
Total department expenditures	63,307	63,307	39,116	24,191
Contingency	5,000	5,000	-	5,000
Transfers out	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Total expenditures	71,307	71,307	42,116	29,191
Ending fund balance	<u>49,043</u>	<u>49,043</u>	<u>114,568</u>	<u>(65,525)</u>
Total requirements	<u>\$ 120,350</u>	<u>\$ 120,350</u>	<u>\$ 156,684</u>	<u>\$ (36,334)</u>

CITY OF WARRENTON

Library Fund

Schedule of Resources and Requirements
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 160,000	\$ 160,000	\$ 162,397	\$ 2,397
Taxes	238,654	238,654	254,994	16,340
Fines and forfeits	300	300	269	(31)
Investment earnings	800	800	5,686	4,886
Donations	10,475	10,475	18,596	8,121
Other revenue	<u>3,950</u>	<u>3,950</u>	<u>3,594</u>	<u>(356)</u>
Total resources	<u>\$ 414,179</u>	<u>\$ 414,179</u>	<u>\$ 445,536</u>	<u>\$ 31,357</u>
Requirements:				
Library:				
Personal services	\$ 193,455	\$ 193,455	\$ 139,973	\$ 53,482
Materials and services	<u>109,558</u>	<u>109,558</u>	<u>95,272</u>	<u>14,286</u>
Total department expenditures	303,013	303,013	235,245	67,768
Contingency	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total expenditures	313,013	313,013	235,245	77,768
Ending fund balance	<u>101,166</u>	<u>101,166</u>	<u>210,291</u>	<u>(109,125)</u>
Total requirements	<u>\$ 414,179</u>	<u>\$ 414,179</u>	<u>\$ 445,536</u>	<u>\$ (31,357)</u>

CITY OF WARRENTON

Building Department Fund

Schedule of Resources and Requirements
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 640,000	\$ 640,000	\$ 736,201	\$ 96,201
Licenses and permits	305,588	305,588	248,291	(57,297)
Intergovernmental	-	-	263	263
Investment earnings	3,500	3,500	18,900	15,400
Other revenue	<u>-</u>	<u>-</u>	<u>362</u>	<u>362</u>
Total resources	<u>\$ 949,088</u>	<u>\$ 949,088</u>	<u>\$ 1,004,017</u>	<u>\$ 54,929</u>
Requirements:				
Building Department:				
Personal services	\$ 321,387	\$ 321,387	\$ 316,074	\$ 5,313
Materials and services	<u>134,567</u>	<u>134,567</u>	<u>108,351</u>	<u>26,216</u>
Total department expenditures	455,954	455,954	424,425	31,529
Contingency	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>40,000</u>
Total expenditures	495,954	495,954	424,425	71,529
Ending fund balance	<u>453,134</u>	<u>453,134</u>	<u>579,592</u>	<u>(126,458)</u>
Total requirements	<u>\$ 949,088</u>	<u>\$ 949,088</u>	<u>\$ 1,004,017</u>	<u>\$ (54,929)</u>

CITY OF WARRENTON

Transient Room Tax Fund

Schedule of Resources and Requirements
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ -	\$ -	\$ -	\$ -
Taxes	<u>330,000</u>	<u>330,000</u>	<u>305,715</u>	<u>(24,285)</u>
Total resources	<u>\$ 330,000</u>	<u>\$ 330,000</u>	<u>\$ 305,715</u>	<u>\$ (24,285)</u>
Requirements:				
Transient Room Tax Program:				
Materials and services	\$ 330,000	\$ 330,000	\$ 305,715	\$ 24,285
Ending fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total requirements	<u>\$ 330,000</u>	<u>\$ 330,000</u>	<u>\$ 305,715</u>	<u>\$ 24,285</u>

CITY OF WARRENTON

Quincy Robinson Park Trust Fund

Schedule of Resources and Requirements
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 193,208	\$ 193,208	\$ 221,864	\$ 28,656
Investment earnings	700	700	5,971	5,271
Donations	<u>45,000</u>	<u>45,000</u>	<u>42,961</u>	<u>(2,039)</u>
Total resources	<u>\$ 238,908</u>	<u>\$ 238,908</u>	<u>\$ 270,796</u>	<u>\$ 31,888</u>
Requirements:				
Parks Department:				
Materials and services	\$ 26,000	\$ 26,000	\$ 20,411	\$ 5,589
Capital outlay	111,000	111,000	4,719	106,281
Ending fund balance	<u>101,908</u>	<u>101,908</u>	<u>245,666</u>	<u>(143,758)</u>
Total requirements	<u>\$ 238,908</u>	<u>\$ 238,908</u>	<u>\$ 270,796</u>	<u>\$ (31,888)</u>

NONMAJOR DEBT SERVICE FUND

Debt Service Funds account for the accumulation of resources for and payment of general long-term debt principal and interest. Funds included in this category are:

Wastewater Treatment GO Bond - Accounts for the payment of principal and interest on the general obligation bonds approved by voters on November 7, 2006 for the construction of the wastewater treatment facility.

Warrenton Urban Renewal Agency Debt Service - Accounts for the payment of principal and interest on the debt related to improvements of the downtown area funded through the Warrenton Urban Renewal Agency.

Warrenton Urban Renewal Agency Debt Reserve - Accounts for funds set aside for the payment of principal and interest on the debt related to improvements of the downtown area funded through the Warrenton Urban Renewal Agency.



CITY OF WARRENTON

Nonmajor Debt Service Fund

Combining Balance Sheet

June 30, 2023

	<u>Wastewater Treatment GO Bond (059)</u>	<u>Warrenton Urban Renewal Agency Debt Service (300)</u>	<u>Warrenton Urban Renewal Agency Debt Reserve (400)</u>	<u>Total Nonmajor Debt Service Fund</u>
ASSETS				
Cash and cash equivalents	\$ 79,598	\$ 2,308,757	\$ 350,017	\$ 2,738,372
Receivables:				
Taxes	<u>32,021</u>	<u>48,675</u>	<u>-</u>	<u>80,696</u>
Total assets	<u>\$ 111,619</u>	<u>\$ 2,357,432</u>	<u>\$ 350,017</u>	<u>\$ 2,819,068</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Deferred Inflows of Resources:				
Unavailable revenue - Property Taxes	\$ 21,975	\$ 34,481	\$ -	\$ 56,456
Fund Balances:				
Restricted for:				
Debt service	<u>89,644</u>	<u>2,322,951</u>	<u>350,017</u>	<u>2,762,612</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 111,619</u>	<u>\$ 2,357,432</u>	<u>\$ 350,017</u>	<u>\$ 2,819,068</u>

CITY OF WARRENTON

Nonmajor Debt Service Fund

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended June 30, 2023

	<u>Wastewater Treatment GO Bond (059)</u>	<u>Warrenton Urban Renewal Agency Debt Service (300)</u>	<u>Warrenton Urban Renewal Agency Debt Reserve (400)</u>	<u>Total Nonmajor Special Revenues Funds</u>
Revenues:				
Taxes	\$ 539,778	\$ 872,198	\$ -	\$ 1,411,976
Investment earnings	<u>8,749</u>	<u>95,564</u>	<u>-</u>	<u>104,313</u>
Total revenues	<u>548,527</u>	<u>967,762</u>	<u>-</u>	<u>1,516,289</u>
Expenditures:				
Debt service:				
Principal retirement	486,895	305,017	-	791,912
Interest expense	<u>74,614</u>	<u>44,999</u>	<u>-</u>	<u>119,613</u>
Total expenditures	<u>561,509</u>	<u>350,016</u>	<u>-</u>	<u>911,525</u>
Excess (deficiency) of revenues over (under) expenditures	(12,982)	617,746	-	604,764
Other Financing Sources (Uses):				
Transfers out	<u>-</u>	<u>(990,628)</u>	<u>-</u>	<u>(990,628)</u>
Net change in fund balances	(12,982)	(372,882)	-	(385,864)
Fund Balances:				
Beginning of year	<u>102,626</u>	<u>2,695,833</u>	<u>350,017</u>	<u>3,148,476</u>
End of year	<u>\$ 89,644</u>	<u>\$ 2,322,951</u>	<u>\$ 350,017</u>	<u>\$ 2,762,612</u>

CITY OF WARRENTON

Wastewater Treatment GO Bond Fund

Schedule of Resources and Requirements
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 73,000	\$ 73,000	\$ 102,626	\$ 29,626
Taxes	532,330	532,330	539,778	7,448
Investment earnings	<u>1,100</u>	<u>1,100</u>	<u>8,749</u>	<u>7,649</u>
Total resources	<u>\$ 606,430</u>	<u>\$ 606,430</u>	<u>\$ 651,153</u>	<u>\$ 44,723</u>
Requirements:				
Debt service	\$ 561,509	\$ 561,509	\$ 561,509	\$ -
Ending fund balance	<u>44,921</u>	<u>44,921</u>	<u>89,644</u>	<u>(44,723)</u>
Total requirements	<u>\$ 606,430</u>	<u>\$ 606,430</u>	<u>\$ 651,153</u>	<u>\$ (44,723)</u>

CITY OF WARRENTON

Warrenton Urban Renewal Agency Debt Service Fund

Schedule of Resources and Requirements
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 2,659,510	\$ 2,659,510	\$ 2,695,833	\$ 36,323
Taxes	867,234	867,234	872,198	4,964
Investment earnings	<u>15,000</u>	<u>15,000</u>	<u>95,564</u>	<u>80,564</u>
Total resources	<u>\$ 3,541,744</u>	<u>\$ 3,541,744</u>	<u>\$ 3,663,595</u>	<u>\$ 121,851</u>
Requirements:				
Debt service	\$ 550,017	\$ 550,017	\$ 350,016	\$ 200,001
Transfers out	<u>2,650,000</u>	<u>2,650,000</u>	<u>990,628</u>	<u>1,659,372</u>
Total expenditures	3,200,017	3,200,017	1,340,644	1,859,373
Ending fund balance	<u>341,727</u>	<u>341,727</u>	<u>2,322,951</u>	<u>(1,981,224)</u>
Total requirements	<u>\$ 3,541,744</u>	<u>\$ 3,541,744</u>	<u>\$ 3,663,595</u>	<u>\$ (121,851)</u>

CITY OF WARRENTON

Warrenton Urban Renewal Agency Debt Reserve Fund

Schedule of Resources and Requirements
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 350,017	\$ 350,017	\$ 350,017	\$ -
Transfers in	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>(200,000)</u>
Total resources	<u>\$ 550,017</u>	<u>\$ 550,017</u>	<u>\$ 350,017</u>	<u>\$ (200,000)</u>
Requirements:				
Debt service	\$ 550,017	\$ 550,017	\$ -	\$ 550,017
Ending fund balance	<u>-</u>	<u>-</u>	<u>350,017</u>	<u>(350,017)</u>
Total requirements	<u>\$ 550,017</u>	<u>\$ 550,017</u>	<u>\$ 350,017</u>	<u>\$ 200,000</u>



NONMAJOR CAPITAL PROJECTS FUND

Capital Project Funds are used to account for the acquisition or construction of major capital facilities. Funds included in this category are:

Parks System Development Charges Fund - Accounts for fees on new construction that are used for capital projects and improvements made necessary by the increased usage of infrastructure caused by development within the community.

Community Center Capital Reserve Fund - Accumulates resources from the operational surplus of the Community Center Fund for the financing of services, projects, property, and equipment purchases.

Facilities Maintenance Fund - Accumulates money for financing the costs of major maintenance and capital improvements of the Municipal Building, Head Start Building, and Park Facilities.

Streets System Development Charges Fund - Accounts for fees on new construction that are used for capital projects and improvements made necessary by the increased usage of infrastructure caused by development within the community.

Police Vehicle Replacement Fund - Accumulates money for financing the costs of police vehicles.

Fire Apparatus Replacement Fund - Accumulates money for financing the costs of fire apparatus.

Tansy Point Dock Capital Reserve Fund - Accumulates money for financing the costs of major maintenance and capital improvements to the Tansy Point Dock.

Warrenton Urban Renewal Agency Capital Projects Fund - Accounts for the property tax revenue collected and improvements to the downtown area completed through the Warrenton Urban Renewal Agency.

CITY OF WARRENTON

Nonmajor Capital Projects Fund

Combining Balance Sheet

June 30, 2023

	<u>Parks System Development Charges (003)</u>	<u>Community Center Capital Reserve (004)</u>	<u>Facilities Maintenance (035)</u>	<u>Streets System Development Charges (041)</u>
ASSETS				
Cash and cash equivalents	\$ 232,543	\$ 11,812	\$ 165,782	\$ 1,302,187
Total assets	<u>\$ 232,543</u>	<u>\$ 11,812</u>	<u>\$ 165,782</u>	<u>\$ 1,302,187</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 34,809	\$ -
Fund Balances:				
Restricted for:				
Urban renewal improvements	-	-	-	-
System development	232,543	-	-	1,302,187
Assigned to:				
Capital projects	<u>-</u>	<u>11,812</u>	<u>130,973</u>	<u>-</u>
Total fund balances	<u>232,543</u>	<u>11,812</u>	<u>130,973</u>	<u>1,302,187</u>
 Total liabilities and fund balances	 <u>\$ 232,543</u>	 <u>\$ 11,812</u>	 <u>\$ 165,782</u>	 <u>\$ 1,302,187</u>

<u>Police Vehicle Replacement (070)</u>	<u>Fire Apparatus Replacement (071)</u>	<u>Tansy Point Dock Capital Reserve (072)</u>	<u>Warrenton Urban Renewal Agency Capital Projects (200)</u>	<u>Total Nonmajor Capital Projects Fund</u>
<u>\$ 160,317</u>	<u>\$ 142,412</u>	<u>\$ 241,226</u>	<u>\$ 67,116</u>	<u>\$ 2,323,395</u>
<u>\$ 160,317</u>	<u>\$ 142,412</u>	<u>\$ 241,226</u>	<u>\$ 67,116</u>	<u>\$ 2,323,395</u>
<u>\$ 233</u>	<u>\$ 14,171</u>	<u>\$ -</u>	<u>\$ 59,146</u>	<u>\$ 108,359</u>
-	-	-	7,970	7,970
-	-	-	-	1,534,730
<u>160,084</u>	<u>128,241</u>	<u>241,226</u>	<u>-</u>	<u>672,336</u>
<u>160,084</u>	<u>128,241</u>	<u>241,226</u>	<u>7,970</u>	<u>2,215,036</u>
<u>\$ 160,317</u>	<u>\$ 142,412</u>	<u>\$ 241,226</u>	<u>\$ 67,116</u>	<u>\$ 2,323,395</u>

CITY OF WARRENTON

Nonmajor Capital Projects Fund

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended June 30, 2023

	<u>Parks System Development Charges (003)</u>	<u>Community Center Capital Reserve (004)</u>	<u>Facilities Maintenance (035)</u>	<u>Streets System Development Charges (041)</u>
Revenues:				
Investment earnings	\$ 6,377	\$ -	\$ 3,441	\$ 36,758
Other revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>6,377</u>	<u>-</u>	<u>3,441</u>	<u>36,758</u>
Expenditures:				
Current:				
General government	-	-	83,695	-
Capital outlay	<u>26,426</u>	<u>-</u>	<u>9,821</u>	<u>-</u>
Total expenditures	<u>26,426</u>	<u>-</u>	<u>93,516</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(20,049)	-	(90,075)	36,758
Other Financing Sources (Uses):				
Transfers in	-	5,000	112,888	-
Capital contributions	<u>40,701</u>	<u>-</u>	<u>-</u>	<u>49,011</u>
Net change in fund balances	20,652	5,000	22,813	85,769
Fund Balances:				
Beginning of year	<u>211,891</u>	<u>6,812</u>	<u>108,160</u>	<u>1,216,418</u>
End of year	<u>\$ 232,543</u>	<u>\$ 11,812</u>	<u>\$ 130,973</u>	<u>\$ 1,302,187</u>

<u>Police Vehicle Replacement (070)</u>	<u>Fire Apparatus Replacement (071)</u>	<u>Tansy Point Dock Capital Reserve (072)</u>	<u>Warrenton Urban Renewal Agency Capital Projects (200)</u>	<u>Total Nonmajor Capital Projects Fund</u>
\$ 4,293	\$ 5,031	\$ 6,726	\$ 542	\$ 63,168
<u>10,332</u>	<u>15,580</u>	<u>-</u>	<u>59</u>	<u>25,971</u>
<u>14,625</u>	<u>20,611</u>	<u>6,726</u>	<u>601</u>	<u>89,139</u>
-	-	-	10,042	93,737
<u>170,582</u>	<u>298,841</u>	<u>-</u>	<u>982,228</u>	<u>1,487,898</u>
<u>170,582</u>	<u>298,841</u>	<u>-</u>	<u>992,270</u>	<u>1,581,635</u>
(155,957)	(278,230)	6,726	(991,669)	(1,492,496)
220,582	247,406	20,778	990,628	1,597,282
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>89,712</u>
64,625	(30,824)	27,504	(1,041)	194,498
<u>95,459</u>	<u>159,065</u>	<u>213,722</u>	<u>9,011</u>	<u>2,020,538</u>
<u>\$ 160,084</u>	<u>\$ 128,241</u>	<u>\$ 241,226</u>	<u>\$ 7,970</u>	<u>\$ 2,215,036</u>

CITY OF WARRENTON

Parks System Development Charges Fund

Schedule of Resources and Requirements
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 171,935	\$ 171,935	\$ 211,891	\$ 39,956
Investment earnings	775	775	6,377	5,602
Capital contributions	<u>13,000</u>	<u>13,000</u>	<u>40,701</u>	<u>27,701</u>
Total resources	<u>\$ 185,710</u>	<u>\$ 185,710</u>	<u>\$ 258,969</u>	<u>\$ 73,259</u>
Requirements:				
Capital outlay	\$ 30,000	\$ 30,000	\$ 26,426	\$ 3,574
Ending fund balance	<u>\$ 155,710</u>	<u>\$ 155,710</u>	<u>\$ 232,543</u>	<u>\$ (76,833)</u>
Total requirements	<u>\$ 185,710</u>	<u>\$ 185,710</u>	<u>\$ 258,969</u>	<u>\$ (73,259)</u>

CITY OF WARRENTON

Community Center Capital Reserve Fund

Schedule of Resources and Requirements
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources				
Beginning fund balance	\$ 6,812	\$ 6,812	\$ 6,812	\$ -
Transfers in	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total resources	<u>\$ 11,812</u>	<u>\$ 11,812</u>	<u>\$ 11,812</u>	<u>\$ -</u>
Requirements:				
Community Center:				
Materials and services	\$ 11,812	\$ 11,812	\$ -	\$ 11,812
Ending fund balance	<u>-</u>	<u>-</u>	<u>11,812</u>	<u>(11,812)</u>
Total requirements	<u>\$ 11,812</u>	<u>\$ 11,812</u>	<u>\$ 11,812</u>	<u>\$ -</u>

CITY OF WARRENTON

Facilities Maintenance Fund

Schedule of Resources and Requirements
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 98,000	\$ 98,000	\$ 108,160	\$ 10,160
Investment earnings	-	-	3,441	3,441
Transfers in	<u>185,000</u>	<u>185,000</u>	<u>112,888</u>	<u>(72,112)</u>
Total resources	<u>\$ 283,000</u>	<u>\$ 283,000</u>	<u>\$ 224,489</u>	<u>\$ (58,511)</u>
 Requirements:				
Facilities Maintenance:				
Materials and services	\$ 161,354	\$ 161,354	\$ 83,695	\$ 77,659
Capital outlay	25,000	25,000	9,821	15,179
Contingency	<u>68,000</u>	<u>68,000</u>	<u>-</u>	<u>68,000</u>
Total expenditures	254,354	254,354	93,516	160,838
Ending fund balance	<u>28,646</u>	<u>28,646</u>	<u>130,973</u>	<u>(102,327)</u>
Total requirements	<u>\$ 283,000</u>	<u>\$ 283,000</u>	<u>\$ 224,489</u>	<u>\$ 58,511</u>

CITY OF WARRENTON

Streets System Development Charges Fund

Schedule of Resources and Requirements
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 1,097,949	\$ 1,097,949	\$ 1,216,418	\$ 118,469
Investment earnings	4,950	4,950	36,758	31,808
Capital contributions	<u>160,000</u>	<u>160,000</u>	<u>49,011</u>	<u>(110,989)</u>
Total resources	<u>\$ 1,262,899</u>	<u>\$ 1,262,899</u>	<u>\$ 1,302,187</u>	<u>\$ 39,288</u>
Requirements:				
Contingency	<u>1,162,899</u>	<u>1,162,899</u>	<u>-</u>	<u>1,162,899</u>
Ending fund balance	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 1,302,187</u>	<u>\$ (1,202,187)</u>
Total requirements	<u>\$ 1,262,899</u>	<u>\$ 1,262,899</u>	<u>\$ 1,302,187</u>	<u>\$ (39,288)</u>

CITY OF WARRENTON

Police Vehicle Replacement Fund

Schedule of Resources and Requirements
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 99,621	\$ 99,621	\$ 95,459	\$ (4,162)
Investment earnings	-	-	4,293	4,293
Other revenue	-	-	10,332	10,332
Transfers in	<u>274,118</u>	<u>274,118</u>	<u>220,582</u>	<u>(53,536)</u>
Total resources	<u>\$ 373,739</u>	<u>\$ 373,739</u>	<u>\$ 330,666</u>	<u>\$ (43,073)</u>
Requirements:				
Police Department:				
Capital outlay	\$ 224,118	\$ 224,118	\$ 170,582	\$ 53,536
Ending fund balance	<u>149,621</u>	<u>149,621</u>	<u>160,084</u>	<u>(10,463)</u>
Total requirements	<u>\$ 373,739</u>	<u>\$ 373,739</u>	<u>\$ 330,666</u>	<u>\$ 43,073</u>

CITY OF WARRENTON

Fire Apparatus Replacement Fund

Schedule of Resources and Requirements
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 94,744	\$ 94,744	\$ 159,065	\$ 64,321
Intergovernmental	441,750	441,750	-	(441,750)
Investment earnings	500	500	5,031	4,531
Other revenue	-	-	15,580	15,580
Transfers in	<u>369,500</u>	<u>369,500</u>	<u>247,406</u>	<u>(122,094)</u>
Total resources	<u>\$ 906,494</u>	<u>\$ 906,494</u>	<u>\$ 427,082</u>	<u>\$ (479,412)</u>
Requirements:				
Fire Department:				
Capital outlay	\$ 849,500	\$ 849,500	\$ 298,841	\$ 550,659
Ending fund balance	<u>56,994</u>	<u>56,994</u>	<u>128,241</u>	<u>(71,247)</u>
Total requirements	<u>\$ 906,494</u>	<u>\$ 906,494</u>	<u>\$ 427,082</u>	<u>\$ 479,412</u>

CITY OF WARRENTON

Tansy Point Dock Capital Reserve Fund

Schedule of Resources and Requirements
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 213,550	\$ 213,550	\$ 213,722	\$ 172
Investment earnings	1,000	1,000	6,726	5,726
Transfers in	<u>20,778</u>	<u>20,778</u>	<u>20,778</u>	<u>-</u>
Total resources	<u>\$ 235,328</u>	<u>\$ 235,328</u>	<u>\$ 241,226</u>	<u>\$ 5,898</u>
Requirements:				
Administration:				
Capital outlay	\$ 235,328	\$ 235,328	\$ -	\$ 235,328
Ending fund balance	<u>-</u>	<u>-</u>	<u>241,226</u>	<u>(241,226)</u>
Total requirements	<u>\$ 235,328</u>	<u>\$ 235,328</u>	<u>\$ 241,226</u>	<u>\$ (5,898)</u>

CITY OF WARRENTON

Warrenton Urban Renewal Agency Capital Projects Fund

Statement of Resources and Requirements
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 12,184	\$ 12,184	\$ 9,011	\$ (3,173)
Investment earnings	-	-	542	542
Other revenue	-	-	59	59
Transfers in	2,450,000	2,450,000	990,628	(1,459,372)
Loan proceeds	<u>3,691,636</u>	<u>3,691,636</u>	<u>-</u>	<u>(3,691,636)</u>
Total resources	<u>\$ 6,153,820</u>	<u>\$ 6,153,820</u>	<u>\$ 1,000,240</u>	<u>\$ (5,153,580)</u>
Requirements:				
Materials and services	\$ 149,000	\$ 149,000	\$ 10,042	\$ 138,958
Capital outlay	<u>6,004,820</u>	<u>6,004,820</u>	<u>982,228</u>	<u>5,022,592</u>
Total expenditures	6,153,820	6,153,820	992,270	5,161,550
Ending fund balance	<u>-</u>	<u>-</u>	<u>7,970</u>	<u>(7,970)</u>
Total requirements	<u>\$ 6,153,820</u>	<u>\$ 6,153,820</u>	<u>\$ 1,000,240</u>	<u>\$ 5,153,580</u>



ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs of providing services are financed or recovered primarily through user charges. Funds included in this category are:

Water Operating Fund - Accounts for the operation, maintenance, and improvements of the water treatment, transmission and distribution systems.

Water System Development - Accounts for fees on new construction that are used for capital projects and improvements made necessary by the increased usage of infrastructure caused by development.

Water Capital Reserve Fund - Accumulates money for major maintenance and capital improvement projects.

Sewer Operating Fund - Accounts for the operation, maintenance, and improvements of the sewer system.

Sewer System Development - Accounts for fees on new construction that are used for capital projects and improvements made necessary by the increased usage of infrastructure caused by development.

Sewer Capital Reserve Fund - Accumulates money for major maintenance and capital improvement projects.

Storm Sewer Operating Fund - Accounts for the storm sewer surcharge on all sewer bills and is used to expand and improve storm drainage systems.

Storm System Development Charges Fund - Accounts for fees on new construction that are used for capital projects and improvements made necessary by the increased usage of infrastructure caused by development within the community.

Sanitation Operating Fund - Accounts for the operations of the residential and commercial trash collection unit.

Sanitation Capital Reserve Fund - Accumulates money for major maintenance and capital improvement projects.

Warrenton Marina Fund - Accounts for the operation, maintenance and improvements of the Marina.

Warrenton Marina Capital Reserve Fund - Accumulates money for major maintenance and capital improvement projects.

Hammond Marina Fund - Accounts for the operation, maintenance and improvements of the Marina.

Hammond Marina Capital Reserve Fund - Accumulates money for major maintenance and capital improvement projects.



CITY OF WARRENTON

Water Enterprise

Combining Statement of Net Position

June 30, 2023

	<u>Operating (025)</u>	<u>System Development (026)</u>	<u>Capital Reserve (029)</u>	<u>Total Water Enterprise</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,352,230	\$ 314,544	\$ 7,159,416	\$ 8,826,190
Accounts receivable	401,880	-	-	401,880
Other receivables	2,100	7,936	-	10,036
Prepaid expenses	1,035	-	-	1,035
Total current assets	<u>1,757,245</u>	<u>322,480</u>	<u>7,159,416</u>	<u>9,239,141</u>
Noncurrent assets:				
Capital assets:				
Nondepreciable assets	1,534,791	-	-	1,534,791
Depreciable assets, net	11,972,341	-	-	11,972,341
Total noncurrent assets	<u>13,507,132</u>	<u>-</u>	<u>-</u>	<u>13,507,132</u>
Total assets	<u>15,264,377</u>	<u>322,480</u>	<u>7,159,416</u>	<u>22,746,273</u>
DEFERRED OUTFLOWS OF RESOURCES				
Related to pensions	<u>223,984</u>	<u>-</u>	<u>-</u>	<u>223,984</u>
LIABILITIES				
Current liabilities:				
Accounts payable	148,592	-	50,922	199,514
Accrued interest payable	42,493	-	-	42,493
Compensated absences	37,086	-	-	37,086
Loans payable - current	466,992	-	-	466,992
Total current liabilities	<u>695,163</u>	<u>-</u>	<u>50,922</u>	<u>746,085</u>
Noncurrent liabilities:				
Loans payable	2,554,489	-	-	2,554,489
Net pension liability	526,793	-	-	526,793
Total liabilities	<u>3,776,445</u>	<u>-</u>	<u>50,922</u>	<u>3,827,367</u>
DEFERRED INFLOWS OF RESOURCES				
Related to pensions	<u>195,018</u>	<u>-</u>	<u>-</u>	<u>195,018</u>
NET POSITION				
Net investment in capital assets	10,485,651	-	-	10,485,651
Restricted for system development	-	322,480	-	322,480
Unrestricted	1,031,247	-	7,108,494	8,139,741
Total net position	<u>\$ 11,516,898</u>	<u>\$ 322,480</u>	<u>\$ 7,108,494</u>	<u>\$ 18,947,872</u>

CITY OF WARRENTON

Water Enterprise

Combining Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended June 30, 2023

	Operating (025)	System Development (026)	Capital Reserve (029)	Total Water Enterprise
Operating Revenues:				
Charges for services	\$ 4,296,158	\$ -	\$ -	\$ 4,296,158
Other revenue	<u>10,862</u>	<u>-</u>	<u>-</u>	<u>10,862</u>
Total operating revenues	<u>4,307,020</u>	<u>-</u>	<u>-</u>	<u>4,307,020</u>
Operating Expenses:				
Payroll and payroll benefits	864,526	-	-	864,526
Contracted services	191,644	-	-	191,644
Utilities and telephone	137,405	-	-	137,405
Repairs and maintenance	671,666	-	-	671,666
Other operating expenses	266,843	-	-	266,843
Overhead cost allocation	140,128	-	-	140,128
Depreciation	<u>633,502</u>	<u>-</u>	<u>-</u>	<u>633,502</u>
Total operating expenses	<u>2,905,714</u>	<u>-</u>	<u>-</u>	<u>2,905,714</u>
Operating income (loss)	<u>1,401,306</u>	<u>-</u>	<u>-</u>	<u>1,401,306</u>
Nonoperating Revenues (Expenses):				
Investment earnings	232,004	8,058	-	240,062
Interest expense	<u>(79,891)</u>	<u>-</u>	<u>-</u>	<u>(79,891)</u>
Total nonoperating revenues (expenses)	<u>152,113</u>	<u>8,058</u>	<u>-</u>	<u>160,171</u>
Income (loss) before contributions	1,553,419	8,058	-	1,561,477
Capital contributions	-	83,988	-	83,988
Capital transfers, net	1,087,205	-	(1,087,205)	-
Net transfers within enterprise	<u>(1,900,000)</u>	<u>-</u>	<u>1,900,000</u>	<u>-</u>
Change in net position	740,624	92,046	812,795	1,645,465
Net Position:				
Beginning of year	10,776,274	230,434	6,295,699	17,302,407
End of year	<u>\$ 11,516,898</u>	<u>\$ 322,480</u>	<u>\$ 7,108,494</u>	<u>\$ 18,947,872</u>

CITY OF WARRENTON

Sewer Enterprise

Combining Statement of Net Position

June 30, 2023

	<u>Sewer Operating (030)</u>	<u>System Development (036)</u>	<u>Capital Reserve (038)</u>	<u>Storm Sewer Operating (028)</u>	<u>Storm System Development Charges (051)</u>	<u>Total Sewer Enterprise</u>
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 3,188,448	\$ 486,318	\$ 5,122,183	\$ 2,022,241	\$ 109,860	\$10,929,050
Accounts receivable	310,163	-	-	58,912	-	369,075
Other receivables	2,474	-	-	-	-	2,474
Prepaid expenses	835	-	-	104	-	939
Total current assets	<u>3,501,920</u>	<u>486,318</u>	<u>5,122,183</u>	<u>2,081,257</u>	<u>109,860</u>	<u>11,301,538</u>
Noncurrent assets:						
Restricted cash	63,012	-	-	-	-	63,012
Capital assets:						
Nondepreciable assets	399,472	-	-	64,228	-	463,700
Depreciable assets, net	<u>7,669,288</u>	<u>-</u>	<u>-</u>	<u>528,093</u>	<u>-</u>	<u>8,197,381</u>
Total noncurrent assets	<u>8,131,772</u>	<u>-</u>	<u>-</u>	<u>592,321</u>	<u>-</u>	<u>8,724,093</u>
Total assets	<u>11,633,692</u>	<u>486,318</u>	<u>5,122,183</u>	<u>2,673,578</u>	<u>109,860</u>	<u>20,025,631</u>
DEFERRED OUTFLOWS OF RESOURCES						
Related to pensions	<u>198,531</u>	<u>-</u>	<u>-</u>	<u>14,488</u>	<u>-</u>	<u>213,019</u>
LIABILITIES						
Current liabilities:						
Accounts payable	134,500	-	-	69,024	-	203,524
Accrued interest payable	9,658	-	-	-	-	9,658
Compensated absences	35,912	-	-	3,367	-	39,279
Loans payable - current	<u>146,246</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>146,246</u>
Total current liabilities	<u>326,316</u>	<u>-</u>	<u>-</u>	<u>72,391</u>	<u>-</u>	<u>398,707</u>
Noncurrent liabilities:						
Loans payable	1,267,622	-	-	-	-	1,267,622
Net pension liability	<u>466,930</u>	<u>-</u>	<u>-</u>	<u>34,076</u>	<u>-</u>	<u>501,006</u>
Total liabilities	<u>2,060,868</u>	<u>-</u>	<u>-</u>	<u>106,467</u>	<u>-</u>	<u>2,167,335</u>
DEFERRED INFLOWS OF RESOURCES						
Related to pensions	<u>172,857</u>	<u>-</u>	<u>-</u>	<u>12,615</u>	<u>-</u>	<u>185,472</u>
NET POSITION						
Net investment in capital assets	6,654,892	-	-	592,321	-	7,247,213
Restricted for debt service	63,012	-	-	-	-	63,012
Restricted for system development	-	486,318	-	-	109,860	596,178
Unrestricted	<u>2,880,594</u>	<u>-</u>	<u>5,122,183</u>	<u>1,976,663</u>	<u>-</u>	<u>9,979,440</u>
Total net position	<u>\$ 9,598,498</u>	<u>\$ 486,318</u>	<u>\$ 5,122,183</u>	<u>\$ 2,568,984</u>	<u>\$ 109,860</u>	<u>\$17,885,843</u>

CITY OF WARRENTON

Sewer Enterprise

Combining Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended June 30, 2023

	<u>Sewer Operating (030)</u>	<u>System Development (036)</u>	<u>Capital Reserve (038)</u>	<u>Storm Sewer Operating (028)</u>	<u>Storm System Development Charges (051)</u>	<u>Total Sewer Enterprise</u>
Operating Revenues:						
Charges for services	\$ 2,906,961	\$ -	\$ -	\$ 544,752	\$ -	\$ 3,451,713
Other revenue	<u>4,598</u>	<u>-</u>	<u>-</u>	<u>2,378</u>	<u>-</u>	<u>6,976</u>
Total operating revenues	<u>2,911,559</u>	<u>-</u>	<u>-</u>	<u>547,130</u>	<u>-</u>	<u>3,458,689</u>
Operating Expenses:						
Payroll and payroll benefits	610,603	-	-	65,358	-	675,961
Contracted services	308,442	-	-	55,287	-	363,729
Utilities and telephone	160,566	-	-	11,314	-	171,880
Repairs and maintenance	255,427	-	-	30,904	-	286,331
Other operating expenses	245,903	-	-	7,527	-	253,430
Overhead cost allocation	145,356	-	-	19,430	-	164,786
Depreciation	<u>710,939</u>	<u>-</u>	<u>-</u>	<u>56,728</u>	<u>-</u>	<u>767,667</u>
Total operating expenses	<u>2,437,236</u>	<u>-</u>	<u>-</u>	<u>246,548</u>	<u>-</u>	<u>2,683,784</u>
Operating income (loss)	<u>474,323</u>	<u>-</u>	<u>-</u>	<u>300,582</u>	<u>-</u>	<u>774,905</u>
Nonoperating Revenues (Expenses):						
Investment earnings	222,707	7,636	-	51,938	3,036	285,317
Interest expense	<u>(33,810)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(33,810)</u>
Total nonoperating revenues (expenses)	<u>188,897</u>	<u>7,636</u>	<u>-</u>	<u>51,938</u>	<u>3,036</u>	<u>251,507</u>
Income (loss) before contributions	663,220	7,636	-	352,520	3,036	1,026,412
Capital contributions	-	304,524	-	-	10,250	314,774
Capital transfers, net	279,100	-	(279,100)	-	-	-
Net transfers within enterprise	<u>(600,000)</u>	<u>-</u>	<u>600,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	342,320	312,160	320,900	352,520	13,286	1,341,186
Net Position:						
Beginning of year	<u>9,256,178</u>	<u>174,158</u>	<u>4,801,283</u>	<u>2,216,464</u>	<u>96,574</u>	<u>16,544,657</u>
End of year	<u>\$ 9,598,498</u>	<u>\$ 486,318</u>	<u>\$ 5,122,183</u>	<u>\$ 2,568,984</u>	<u>\$ 109,860</u>	<u>\$17,885,843</u>

CITY OF WARRENTON
Sanitation Enterprise
Combining Statement of Net Position
June 30, 2023

	<u>Operating (032)</u>	<u>Capital Reserve (034)</u>	<u>Total Sanitation Enterprise</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 516,807	\$ 389,394	\$ 906,201
Accounts receivable	128,577	-	128,577
Prepaid expenses	435	-	435
Total current assets	<u>645,819</u>	<u>389,394</u>	<u>1,035,213</u>
Noncurrent assets:			
Capital assets:			
Nondepreciable assets	29,669	-	29,669
Depreciable assets, net	<u>395,838</u>	<u>-</u>	<u>395,838</u>
Total noncurrent assets	<u>425,507</u>	<u>-</u>	<u>425,507</u>
Total assets	<u>1,071,326</u>	<u>389,394</u>	<u>1,460,720</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions	<u>55,017</u>	<u>-</u>	<u>55,017</u>
LIABILITIES			
Current liabilities:			
Accounts payable	77,147	-	77,147
Compensated absences	5,800	-	5,800
Landfill postclosure care - current	<u>11,650</u>	<u>-</u>	<u>11,650</u>
Total current liabilities	94,597	-	94,597
Noncurrent liabilities:			
Landfill postclosure care liability	360,403	-	360,403
Net pension liability	<u>129,396</u>	<u>-</u>	<u>129,396</u>
Total liabilities	<u>584,396</u>	<u>-</u>	<u>584,396</u>
DEFERRED INFLOWS OF RESOURCES			
Related to pensions	<u>47,902</u>	<u>-</u>	<u>47,902</u>
NET POSITION			
Net investment in capital assets	425,507	-	425,507
Unrestricted	<u>68,538</u>	<u>389,394</u>	<u>457,932</u>
Total net position	<u>\$ 494,045</u>	<u>\$ 389,394</u>	<u>\$ 883,439</u>

CITY OF WARRENTON

Sanitation Enterprise

Combining Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended June 30, 2023

	Operating (032)	Capital Reserve (034)	Total Sanitation Enterprise
Operating Revenues:			
Charges for services	\$ 1,315,715	\$ -	\$ 1,315,715
Other revenue	6,065	-	6,065
Total operating revenues	<u>1,321,780</u>	<u>-</u>	<u>1,321,780</u>
Operating Expenses:			
Payroll and payroll benefits	150,525	-	150,525
Contracted services	808,878	-	808,878
Utilities and telephone	5,841	-	5,841
Repairs and maintenance	37,823	-	37,823
Other operating expenses	130,635	-	130,635
Overhead cost allocation	36,537	-	36,537
Depreciation	74,358	-	74,358
Total operating expenses	<u>1,244,597</u>	<u>-</u>	<u>1,244,597</u>
Operating income (loss)	<u>77,183</u>	<u>-</u>	<u>77,183</u>
Nonoperating Revenues (Expenses):			
Investment earnings	21,567	-	21,567
Total nonoperating revenues (expenses)	<u>21,567</u>	<u>-</u>	<u>21,567</u>
Income (loss) before contributions	98,750	-	98,750
Net transfers within enterprise	<u>(100,000)</u>	<u>100,000</u>	<u>-</u>
Change in net position	(1,250)	100,000	98,750
Net Position:			
Beginning of year	495,295	289,394	784,689
End of year	<u>\$ 494,045</u>	<u>\$ 389,394</u>	<u>\$ 883,439</u>

CITY OF WARRENTON
Nonmajor Enterprise Funds
Combining Statement of Net Position
June 30, 2023

	Warrenton Marina (010)	Warrenton Marina Capital Reserve (012)	Hammond Marina (011)	Hammond Marina Capital Reserve (013)	Total Nonmajor Enterprise Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 363,060	\$ 551,448	\$ 289,166	\$ 890,057	\$ 2,093,731
Accounts receivable	20,459	-	160	-	20,619
Intergovernmental receivables	-	-	-	83,468	83,468
Lease receivable, current	5,700	-	3,359	-	9,059
Total current assets	<u>389,219</u>	<u>551,448</u>	<u>292,685</u>	<u>973,525</u>	<u>2,206,877</u>
Noncurrent assets:					
Lease Receivable	37,555	-	-	-	37,555
Capital assets:					
Nondepreciable assets	394,346	-	174,608	-	568,954
Depreciable assets, net	151,121	-	1,862,009	-	2,013,130
Total noncurrent assets	<u>583,022</u>	<u>-</u>	<u>2,036,617</u>	<u>-</u>	<u>2,619,639</u>
Total assets	<u>972,241</u>	<u>551,448</u>	<u>2,329,302</u>	<u>973,525</u>	<u>4,826,516</u>
DEFERRED OUTFLOWS OF RESOURCES					
Related to pensions	<u>116,690</u>	<u>-</u>	<u>70,680</u>	<u>-</u>	<u>187,370</u>
LIABILITIES					
Current liabilities:					
Accounts payable	15,916	253,183	12,872	2,757	284,728
Compensated absences	24,702	-	14,002	-	38,704
Unearned revenue	14,794	-	6,748	-	21,542
Total current liabilities	<u>55,412</u>	<u>253,183</u>	<u>33,622</u>	<u>2,757</u>	<u>344,974</u>
Noncurrent liabilities:					
Net pension liability	<u>274,448</u>	<u>-</u>	<u>166,235</u>	<u>-</u>	<u>440,683</u>
Total liabilities	<u>329,860</u>	<u>253,183</u>	<u>199,857</u>	<u>2,757</u>	<u>785,657</u>
DEFERRED INFLOWS OF RESOURCES					
Related to pensions	101,601	-	61,540	-	163,141
Deferred Inflows -leases receivable	<u>40,443</u>	<u>-</u>	<u>2,396</u>	<u>-</u>	<u>42,839</u>
Total deferred inflows of resources	<u>142,044</u>	<u>-</u>	<u>63,936</u>	<u>-</u>	<u>205,980</u>
NET POSITION					
Net investment in capital assets	545,467	-	2,036,617	-	2,582,084
Unrestricted	<u>71,560</u>	<u>298,265</u>	<u>99,572</u>	<u>970,768</u>	<u>1,440,165</u>
Total net position	<u>\$ 617,027</u>	<u>\$ 298,265</u>	<u>\$ 2,136,189</u>	<u>\$ 970,768</u>	<u>\$ 4,022,249</u>

CITY OF WARRENTON

Nonmajor Enterprise Funds

Combining Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended June 30, 2023

	<u>Warrenton Marina (010)</u>	<u>Warrenton Marina Capital Reserve (012)</u>	<u>Hammond Marina (011)</u>	<u>Hammond Marina Capital Reserve (013)</u>	<u>Total Nonmajor Enterprise Funds</u>
Operating Revenues:					
Charges for services	\$ 687,803	\$ -	\$ 385,202	\$ -	\$ 1,073,005
Lease receipts	20,503	-	12,273	-	32,776
Other revenue	2,414	-	3,357	-	5,771
Total operating revenues	<u>710,720</u>	<u>-</u>	<u>400,832</u>	<u>-</u>	<u>1,111,552</u>
Operating Expenses:					
Payroll and payroll benefits	400,211	-	246,073	-	646,284
Contracted services	8,005	-	8,236	-	16,241
Utilities and telephone	88,581	-	20,612	-	109,193
Repairs and maintenance	89,491	-	81,360	-	170,851
Other operating expenses	36,037	-	30,531	-	66,568
Overhead cost allocation	33,686	-	19,113	-	52,799
Depreciation	16,121	-	140,576	-	156,697
Total operating expenses	<u>672,132</u>	<u>-</u>	<u>546,501</u>	<u>-</u>	<u>1,218,633</u>
Operating income (loss)	<u>38,588</u>	<u>-</u>	<u>(145,669)</u>	<u>-</u>	<u>(107,081)</u>
Nonoperating Revenues (Expenses):					
Investment earnings	34,689	-	33,188	-	67,877
Taxes	-	-	-	231,002	231,002
Intergovernmental	-	-	-	43,807	43,807
Total nonoperating revenues (expenses)	<u>34,689</u>	<u>-</u>	<u>33,188</u>	<u>274,809</u>	<u>342,686</u>
Income (loss) before contributions	73,277	-	(112,481)	274,809	235,605
Capital transfers, net	306,619	(306,619)	46,674	(46,674)	-
Net transfers	<u>(100,000)</u>	<u>141,626</u>	<u>-</u>	<u>-</u>	<u>41,626</u>
Change in net position	279,896	(164,993)	(65,807)	228,135	277,231
Net Position:					
Beginning of year	337,131	463,258	2,201,996	742,633	3,745,018
End of year	<u>\$ 617,027</u>	<u>\$ 298,265</u>	<u>\$ 2,136,189</u>	<u>\$ 970,768</u>	<u>\$ 4,022,249</u>

CITY OF WARRENTON

Water Operating Fund

Schedule of Resources and Requirements
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 2,000,000	\$ 2,000,000	\$ 1,878,543	\$ (121,457)
Intergovernmental	1,000,000	1,000,000	-	(1,000,000)
Charges for services	4,215,062	4,215,062	4,296,158	81,096
Investment earnings	32,000	32,000	232,004	200,004
Other revenue	1,000	1,000	10,862	9,862
Loan proceeds	<u>1,460,000</u>	<u>1,460,000</u>	<u>-</u>	<u>(1,460,000)</u>
Total resources	<u>\$ 8,708,062</u>	<u>\$ 8,708,062</u>	<u>\$ 6,417,567</u>	<u>\$ (2,290,495)</u>
 Requirements:				
Public Works:				
Personal services	\$ 1,258,918	\$ 1,258,918	\$ 962,272	\$ 296,646
Materials and services	<u>1,589,804</u>	<u>1,589,804</u>	<u>1,407,687</u>	<u>182,117</u>
Total department expenditures	2,848,722	2,848,722	2,369,959	478,763
Debt service	538,956	538,956	538,955	1
Contingency	496,000	496,000	-	496,000
Transfers out	<u>4,360,000</u>	<u>4,360,000</u>	<u>1,900,000</u>	<u>2,460,000</u>
Total expenditures	8,243,678	8,243,678	4,808,914	3,434,764
Ending fund balance	<u>464,384</u>	<u>464,384</u>	<u>1,608,653</u>	<u>(1,144,269)</u>
Total requirements	<u>\$ 8,708,062</u>	<u>\$ 8,708,062</u>	<u>\$ 6,417,567</u>	<u>\$ 2,290,495</u>
 Reconciliation to GAAP Basis:				
Ending fund balance - budget basis			\$ 1,608,653	
Capital assets			13,507,132	
Deferred outflows of resources related to pensions			223,984	
Accrued interest payable			(42,493)	
Compensated absences			(37,086)	
Net pension liability			(526,793)	
Loans payable			(3,021,481)	
Deferred inflow of resources related to pensions			<u>(195,018)</u>	
Ending net position - GAAP basis			<u>\$ 11,516,898</u>	

CITY OF WARRENTON

Water System Development

Schedule of Resources and Requirements
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 194,418	\$ 194,418	\$ 230,434	\$ 36,016
Investment earnings	875	875	8,058	7,183
Capital contributions	<u>100,000</u>	<u>100,000</u>	<u>83,988</u>	<u>(16,012)</u>
Total resources	<u>\$ 295,293</u>	<u>\$ 295,293</u>	<u>\$ 322,480</u>	<u>\$ 27,187</u>
Requirements:				
Contingency	\$ 200,000	\$ 200,000	\$ -	\$ 200,000
Ending fund balance	<u>95,293</u>	<u>95,293</u>	<u>322,480</u>	<u>(227,187)</u>
Total requirements	<u>\$ 295,293</u>	<u>\$ 295,293</u>	<u>\$ 322,480</u>	<u>\$ (27,187)</u>

CITY OF WARRENTON

Water Capital Reserve Fund

Schedule of Resources and Requirements
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 6,100,000	\$ 6,100,000	\$ 6,295,699	\$ 195,699
Transfers in	<u>4,360,000</u>	<u>4,360,000</u>	<u>1,900,000</u>	<u>(2,460,000)</u>
Total resources	<u>\$ 10,460,000</u>	<u>\$ 10,460,000</u>	<u>\$ 8,195,699</u>	<u>\$ (2,264,301)</u>
Requirements:				
Public Works:				
Capital outlay	\$ 7,307,300	\$ 7,307,300	\$ 1,087,205	\$ 6,220,095
Ending fund balance	<u>3,152,700</u>	<u>3,152,700</u>	<u>7,108,494</u>	<u>(3,955,794)</u>
Total requirements	<u>\$ 10,460,000</u>	<u>\$ 10,460,000</u>	<u>\$ 8,195,699</u>	<u>\$ 2,264,301</u>

CITY OF WARRENTON

Sewer Operating Fund

Schedule of Resources and Requirements
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance
Resources:				
Beginning fund balance	\$ 2,700,000	\$ 2,700,000	\$ 2,978,749	\$ 278,749
Charges for services	2,872,261	2,872,261	2,906,961	34,700
Investment earnings	32,000	32,000	222,707	190,707
Other revenue	<u>-</u>	<u>-</u>	<u>4,598</u>	<u>4,598</u>
Total resources	<u>\$ 5,604,261</u>	<u>\$ 5,604,261</u>	<u>\$ 6,113,015</u>	<u>\$ 508,754</u>
Requirements:				
Public Works:				
Personal services	\$ 1,219,668	\$ 1,219,668	\$ 789,571	\$ 430,097
Materials and services	<u>2,751,331</u>	<u>2,751,331</u>	<u>1,115,694</u>	<u>1,635,637</u>
Total department expenditures	3,970,999	3,970,999	1,905,265	2,065,734
Debt service	177,318	177,318	177,318	-
Contingency	650,000	650,000	-	650,000
Transfers out	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>-</u>
Total expenditures	5,398,317	5,398,317	2,682,583	2,715,734
Ending fund balance	<u>205,944</u>	<u>205,944</u>	<u>3,430,432</u>	<u>(3,224,488)</u>
Total requirements	<u>\$ 5,604,261</u>	<u>\$ 5,604,261</u>	<u>\$ 6,113,015</u>	<u>\$ (508,754)</u>
Reconciliation to GAAP Basis:				
Ending fund balance - budget basis			\$ 3,430,432	
Capital Assets			8,068,760	
Deferred outflows of resources related to pensions			198,531	
Accrued interest payable			(9,658)	
Compensated absences			(35,912)	
Net pension liability			(466,930)	
Loans payable			(1,413,868)	
Deferred inflow of resources related to pensions			<u>(172,857)</u>	
Ending net position - GAAP basis			<u>\$ 9,598,498</u>	

CITY OF WARRENTON

Sewer System Development

Schedule of Resources and Requirements
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 150,016	\$ 150,016	\$ 174,158	\$ 24,142
Investment earnings	675	675	7,636	6,961
Capital contributions	<u>60,000</u>	<u>60,000</u>	<u>304,524</u>	<u>244,524</u>
Total resources	<u>\$ 210,691</u>	<u>\$ 210,691</u>	<u>\$ 486,318</u>	<u>\$ 275,627</u>
Requirements:				
Ending fund balance	<u>\$ 210,691</u>	<u>\$ 210,691</u>	<u>\$ 486,318</u>	<u>\$ (275,627)</u>
Total requirements	<u>\$ 210,691</u>	<u>\$ 210,691</u>	<u>\$ 486,318</u>	<u>\$ (275,627)</u>

CITY OF WARRENTON

Sewer Capital Reserve Fund

Schedule of Resources and Requirements
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 4,700,000	\$ 4,700,000	\$ 4,801,283	\$ 101,283
Transfers in	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>-</u>
Total resources	<u>\$ 5,300,000</u>	<u>\$ 5,300,000</u>	<u>\$ 5,401,283</u>	<u>\$ 101,283</u>
Requirements:				
Public Works:				
Capital outlay	\$ 846,650	\$ 846,650	\$ 279,101	\$ 567,549
Ending fund balance	<u>4,453,350</u>	<u>4,453,350</u>	<u>5,122,182</u>	<u>(668,832)</u>
Total requirements	<u>\$ 5,300,000</u>	<u>\$ 5,300,000</u>	<u>\$ 5,401,283</u>	<u>\$ (101,283)</u>

CITY OF WARRENTON

Storm Sewer Operating Fund

Schedule of Resources and Requirements
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 1,500,000	\$ 1,500,000	\$ 1,661,698	\$ 161,698
Intergovernmental	300,000	300,000	-	(300,000)
Charges for services	538,912	538,912	544,752	5,840
Investment earnings	6,000	6,000	51,938	45,938
Other revenue	-	-	2,379	2,379
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total resources	<u>\$ 2,344,912</u>	<u>\$ 2,344,912</u>	<u>\$ 2,260,767</u>	<u>\$ (84,145)</u>
 Requirements:				
Storm Sewer Department:				
Personal services	\$ 177,140	\$ 177,140	\$ 103,358	\$ 73,782
Materials and services	624,734	624,734	124,463	500,271
Capital outlay	<u>1,145,487</u>	<u>1,145,487</u>	<u>20,713</u>	<u>1,124,774</u>
Total department expenditures	1,947,361	1,947,361	248,534	1,698,827
Contingency	<u>90,000</u>	<u>90,000</u>	-	90,000
Total expenditures	2,037,361	2,037,361	248,534	1,788,827
Ending fund balance	<u>307,551</u>	<u>307,551</u>	<u>2,012,233</u>	<u>(1,704,682)</u>
Total requirements	<u>\$ 2,344,912</u>	<u>\$ 2,344,912</u>	<u>\$ 2,260,767</u>	<u>\$ 84,145</u>
 Reconciliation to GAAP Basis:				
Ending fund balance - budget basis			\$ 2,012,233	
Capital Assets			592,321	
Deferred outflows of resources related to pensions			14,488	
Compensated absences			(3,367)	
Net pension liability			(34,076)	
Deferred inflow of resources related to pensions			<u>(12,615)</u>	
Ending net position - GAAP basis			<u>\$ 2,568,984</u>	

CITY OF WARRENTON

Storm System Development Charges Fund

Schedule of Resources and Requirements
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 87,894	\$ 87,894	\$ 96,574	\$ 8,680
Investment earnings	400	400	3,036	2,636
Capital contributions	<u>25,000</u>	<u>25,000</u>	<u>10,250</u>	<u>(14,750)</u>
Total resources	<u>\$ 113,294</u>	<u>\$ 113,294</u>	<u>\$ 109,860</u>	<u>\$ (3,434)</u>
Requirements:				
Contingency	<u>80,000</u>	<u>80,000</u>	<u>-</u>	<u>80,000</u>
Ending fund balance	<u>\$ 33,294</u>	<u>\$ 33,294</u>	<u>\$ 109,860</u>	<u>\$ (76,566)</u>
Total requirements	<u>\$ 113,294</u>	<u>\$ 113,294</u>	<u>\$ 109,860</u>	<u>\$ 3,434</u>

CITY OF WARRENTON

Sanitation Operating Fund

Schedule of Resources and Requirements
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 445,000	\$ 445,000	\$ 504,966	\$ 59,966
Charges for services	1,446,344	1,446,344	1,315,715	(130,629)
Investment earnings	3,000	3,000	21,567	18,567
Other revenue	<u>-</u>	<u>-</u>	<u>6,065</u>	<u>6,065</u>
Total resources	<u>\$ 1,894,344</u>	<u>\$ 1,894,344</u>	<u>\$ 1,848,313</u>	<u>\$ (46,031)</u>
Requirements:				
Public works:				
Personal services	\$ 311,941	\$ 311,941	\$ 221,160	\$ 90,781
Materials and services	<u>1,099,708</u>	<u>1,099,708</u>	<u>958,481</u>	<u>141,227</u>
Total department expenditures	1,411,649	1,411,649	1,179,641	232,008
Contingency	150,000	150,000	-	150,000
Transfers out	<u>222,222</u>	<u>222,222</u>	<u>100,000</u>	<u>122,222</u>
Total expenditures	1,783,871	1,783,871	1,279,641	504,230
Ending fund balance	<u>110,473</u>	<u>110,473</u>	<u>568,672</u>	<u>(458,199)</u>
Total requirements	<u>\$ 1,894,344</u>	<u>\$ 1,894,344</u>	<u>\$ 1,848,313</u>	<u>\$ 46,031</u>
Reconciliation to GAAP Basis:				
Ending fund balance - budget basis			\$ 568,672	
Capital Assets			425,507	
Deferred outflows of resources related to pensions			55,017	
Compensated absences			(5,800)	
Net pension liability			(129,396)	
Landfill postclosure care liability			(372,053)	
Deferred inflow of resources related to pensions			<u>(47,902)</u>	
Ending net position - GAAP basis			<u>\$ 494,045</u>	

CITY OF WARRENTON

Sanitation Capital Reserve Fund

Schedule of Resources and Requirements
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 275,000	\$ 275,000	\$ 289,394	\$ 14,394
Transfers in	<u>222,222</u>	<u>222,222</u>	<u>100,000</u>	<u>(122,222)</u>
Total resources	<u>\$ 497,222</u>	<u>\$ 497,222</u>	<u>\$ 389,394</u>	<u>\$ (107,828)</u>
Requirements:				
Public Works:				
Capital outlay	\$ 37,950	\$ 37,950	\$ -	\$ 37,950
Ending fund balance	<u>459,272</u>	<u>459,272</u>	<u>389,394</u>	<u>69,878</u>
Total requirements	<u>\$ 497,222</u>	<u>\$ 497,222</u>	<u>\$ 389,394</u>	<u>\$ 107,828</u>

CITY OF WARRENTON

Warrenton Marina Fund

Schedule of Resources and Requirements
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 300,000	\$ 300,000	\$ 323,922	\$ 23,922
Intergovernmental	1,200	1,200	-	(1,200)
Charges for services	669,000	669,000	686,435	17,435
Lease receipts	30,679	30,679	22,588	(8,091)
Investment earnings	9,000	9,000	34,689	25,689
Other revenue	<u>7,000</u>	<u>7,000</u>	<u>2,414</u>	<u>(4,586)</u>
Total resources	<u>\$ 1,016,879</u>	<u>\$ 1,016,879</u>	<u>\$ 1,070,048</u>	<u>\$ 53,169</u>
Requirements:				
Marinas:				
Personal services	\$ 424,511	\$ 424,511	\$ 360,606	\$ 63,905
Materials and services	<u>293,714</u>	<u>293,714</u>	<u>255,800</u>	<u>37,914</u>
Total department expenditures	718,225	718,225	616,406	101,819
Contingency	125,000	125,000	-	125,000
Transfers out	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total expenditures	943,225	943,225	716,406	226,819
Ending fund balance	<u>73,654</u>	<u>73,654</u>	<u>353,642</u>	<u>(279,988)</u>
Total requirements	<u>\$ 1,016,879</u>	<u>\$ 1,016,879</u>	<u>\$ 1,070,048</u>	<u>\$ (53,169)</u>
Reconciliation to GAAP Basis:				
Ending fund balance - budget basis			\$ 353,642	
Allowance for doubtful accounts			(120)	
Capital Assets			545,468	
Deferred outflows of resources related to pensions			116,690	
Leases receivable			42,541	
Compensated absences			(24,702)	
Net pension liability			(274,448)	
Deferred inflow of resources related to leases			(40,443)	
Deferred inflow of resources related to pensions			<u>(101,601)</u>	
Ending net position - GAAP basis			<u>\$ 617,027</u>	

CITY OF WARRENTON

Warrenton Marina Capital Reserve Fund

Schedule of Resources and Requirements
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 464,175	\$ 464,175	\$ 463,258	\$ (917)
Transfers in	<u>142,055</u>	<u>142,055</u>	<u>141,626</u>	<u>(429)</u>
Total resources	<u>\$ 606,230</u>	<u>\$ 606,230</u>	<u>\$ 604,884</u>	<u>\$ (1,346)</u>
 Requirements:				
Marinas:				
Capital outlay	\$ 547,000	\$ 547,000	\$ 306,619	\$ 240,381
Ending fund balance	<u>59,230</u>	<u>59,230</u>	<u>298,265</u>	<u>(239,035)</u>
Total requirements	<u>\$ 606,230</u>	<u>\$ 606,230</u>	<u>\$ 604,884</u>	<u>\$ 1,346</u>

CITY OF WARRENTON

Hammond Marina Fund

Schedule of Resources and Requirements
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance
Resources:				
Beginning fund balance	\$ 290,000	\$ 290,000	\$ 206,211	\$ (83,789)
Charges for services	361,000	361,000	385,202	24,202
Lease receipts	14,052	14,052	13,568	(484)
Investment earnings	6,000	6,000	33,188	27,188
Other revenue	<u>3,500</u>	<u>3,500</u>	<u>3,357</u>	<u>(143)</u>
Total resources	<u>\$ 674,552</u>	<u>\$ 674,552</u>	<u>\$ 641,526</u>	<u>\$ (33,026)</u>

Resources:				
Marinas:				
Personal services	\$ 252,873	\$ 252,873	\$ 211,968	\$ 40,905
Materials and services	<u>181,388</u>	<u>181,388</u>	<u>159,852</u>	<u>21,536</u>
Total department expenditures	434,261	434,261	371,820	62,441
Contingency	80,000	80,000	-	80,000
Transfers out	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Total expenditures	614,261	614,261	371,820	242,441
Ending fund balance	<u>60,291</u>	<u>60,291</u>	<u>269,706</u>	<u>(209,415)</u>
Total requirements	<u>\$ 674,552</u>	<u>\$ 674,552</u>	<u>\$ 641,526</u>	<u>\$ 33,026</u>

Reconciliation to GAAP Basis:	
Ending fund balance - budget basis	\$ 269,706
Depreciable assets, net	2,036,618
Deferred outflows of resources related to pensions	70,680
Leases Receivable	3,358
Compensated absences	(14,002)
Net pension liability	(166,235)
Deferred Inflows -leases receivable	(2,396)
Deferred inflow of resources related to pensions	<u>(61,540)</u>
Ending net position - GAAP basis	<u>\$ 2,136,189</u>

CITY OF WARRENTON

Hammond Marina Capital Reserve Fund

Schedule of Resources and Requirements
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 735,722	\$ 735,722	\$ 742,633	\$ 6,911
Taxes	221,000	221,000	231,002	10,002
Intergovernmental	45,000	45,000	43,807	(1,193)
Transfers in	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>(100,000)</u>
Total resources	<u>\$ 1,101,722</u>	<u>\$ 1,101,722</u>	<u>\$ 1,017,442</u>	<u>\$ (84,280)</u>
Requirements:				
Marinas:				
Capital outlay	\$ 214,000	\$ 214,000	\$ 46,674	\$ 167,326
Ending fund balance	<u>887,722</u>	<u>887,722</u>	<u>970,768</u>	<u>(83,046)</u>
Total requirements	<u>\$ 1,101,722</u>	<u>\$ 1,101,722</u>	<u>\$ 1,017,442</u>	<u>\$ 84,280</u>

INTERNAL SERVICE FUND

Internal Service Funds are used to report activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units, or other governments, on a cost reimbursement basis. Funds included in this category are:

Engineer ISF - The City began using an in-house engineer in 2016. The costs associated with the engineer are accumulated in this fund and reimbursed by the appropriate departments and projects.



CITY OF WARRENTON

Engineer ISF

Schedule of Resources and Requirements
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 2,500	\$ 2,500	\$ 4,267	\$ 1,767
Charges for services	101,233	101,233	61,182	(40,051)
Other revenue	<u>-</u>	<u>-</u>	<u>82</u>	<u>82</u>
Total resources	<u>\$ 103,733</u>	<u>\$ 103,733</u>	<u>\$ 65,531</u>	<u>\$ (38,202)</u>
Requirements:				
Engineering Department:				
Personal services	\$ 96,533	\$ 96,533	\$ 63,068	\$ 33,465
Materials and services	<u>7,200</u>	<u>7,200</u>	<u>1,899</u>	<u>5,301</u>
Total department expenditures	103,733	103,733	64,967	38,766
Ending fund balance	<u>-</u>	<u>-</u>	<u>564</u>	<u>(564)</u>
Total requirements	<u>\$ 103,733</u>	<u>\$ 103,733</u>	<u>\$ 65,531</u>	<u>\$ 38,202</u>
Reconciliation to GAAP Basis:				
Ending fund balance - budget basis			\$ 564	
Deferred outflows of resources related to pensions			35,439	
Net pension liability			(83,348)	
Deferred inflow of resources related to pensions			<u>(30,855)</u>	
Ending net position - GAAP basis			<u>\$ (78,200)</u>	



COMPLIANCE SECTION





COMMENTS AND DISCLOSURES OF INDEPENDENT AUDITOR REQUIRED BY STATE STATUE

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www.islercpa.com

Honorable Mayor and City Commission
City of Warrenton, Oregon

We have audited the basic financial statements of the City of Warrenton, Oregon ("City") as of and for the year ended June 30, 2023, and have issued our report thereon dated December 15, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 to 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- Deposits of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Highway revenues used for public highways, roads, and streets.
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).

In connection with our testing nothing came to our attention that caused us to believe the City of Warrenton, Oregon was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended for the information of the City Commission and the Secretary of State Division of Audits of the State of Oregon. However, this report is a matter of public record and is not intended to be and should not be used by anyone other than these parties.

Isler CPA

By

A handwritten signature in black ink that reads "Paul R. Nielson". The signature is written in a cursive style with a long, sweeping tail on the letter 'n'.

Paul R Nielson, CPA, a member of the firm

Eugene, Oregon

December 15, 2023